



# **Daily Report**

## **China**

**FBIS-CHI-94-037**  
Thursday  
24 February 1994

# Daily Report

## China

FBIS-CHI-94-037

### CONTENTS

24 February 1994

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

Foreign Ministry Holds Weekly News Briefing .....	1
Criticizes Hong Kong Package [XINHUA] .....	1
Liu Huaiqiu To Visit South America [XINHUA] .....	1
Singapore Prime Minister To Visit [XINHUA] .....	1
Netherlands Foreign Minister To Visit [XINHUA] .....	2
Luxembourg Prince To Visit [XINHUA] .....	2
Russia's NTV Says Moscow To Retaliate Over U.S. 'Spy Scandal' [XINHUA] .....	2
XINHUA Told Russian Forces in Bosnia To Remain Neutral .....	2
XINHUA Notes Russia Proposes All European Partnership .....	3
Yeltsin Proposes Summit With West Over Former Yugoslavia [XINHUA] .....	3
Bosnian Serbs Deny Alleged Fire at UN Forces [XINHUA] .....	3
XINHUA Views Bonn Meeting To Seek Peace in Bosnia .....	4
Report Says President Clinton Attempts To Mend UK Ties [XINHUA] .....	4
President Clinton Welcomes Mandela's Election Efforts [XINHUA] .....	5
RENMIN RIBAO Analyzes U.S.-Japanese Relations .....	5
Views Trade Ties [15 Feb] .....	5
Views Overall Relations [15 Feb] .....	6
'News Analysis' Views U.S.-New Zealand Defense Strains [XINHUA] .....	6
Article Views Establishment of World Trade Organization [RENMIN RIBAO 13 Feb] .....	7

##### United States & Canada

Jiang Zemin Comments on Sino-U.S Relations' Development [XINHUA] .....	8
Sino-U.S. Seminar Views Intellectual Property Rights [XINHUA] .....	9
Li Lanqing Speaks of U.S. Ties With Eagleburger [XINHUA] .....	9
Shanghai Mayor Meets George Shultz [XINHUA] .....	9
NPC Vice Chairman Wang Guangying Meets U.S. TV Group [XINHUA] .....	9
XINHUA Notes U.S. To Pursue Spy Case 'Aggressively' .....	9
U.S. Senate Confirms Talbott as Deputy Secretary of State [XINHUA] .....	10
Department Allows Conditional Importing of U.S. Apples [XINHUA] .....	10

##### Central Eurasia

Boris Yeltsin Calls For Summit With Western Leaders [XINHUA] .....	11
Yeltsin Views Attempts To 'Discriminate' Against Russia [XINHUA] .....	11
Presidents Clinton, Yeltsin Agree on 22 Feb Meeting [XINHUA] .....	11
Russia Opposes Extension of Sarajevo Cease-Fire Model [XINHUA] .....	12
XINHUA Reports Russian Economic Situation Deteriorates .....	12

##### Northeast Asia

Vice Premier Zhu Rongji Continues Visit to Japan .....	13
To Remain Central Bank Governor [Tokyo KYODO] .....	13
Says Reforms Carried Out Smoothly [XINHUA] .....	13
Relations Helpful to World Peace [XINHUA] .....	13
Preferential Policies Remain Unchanged [XINHUA] .....	14
Renews Resolve To Speed Up Reforms [XINHUA] .....	14
Statistics Show Japan as Largest Trading Partner [ZHONGGUO XINWEN SHE] .....	15

IAEA Urges DPRK To Issue Visas to Nuclear Inspectors [XINHUA] .....	15
Sino-DPRK Agreements Anniversary Marked in Beijing [XINHUA] .....	15

### Southeast Asia & Pacific

Jiang Zemin Meets Vietnam's Nong Duc Manh [XINHUA] .....	16
Sino-Australian Building Material Firm Opens in Tianjin [XINHUA] .....	16

### Near East & South Asia

Zhu Rongji Reportedly To Visit Israel 'Before Fall' [Hong Kong WEN WEI PO 23 Feb] .....	16
Qian Qichen Continues Visit to Pakistan .....	17
Meets Pakistani President [XINHUA] .....	17
Meets Pakistani Parliamentary Leaders [XINHUA] .....	17
Qian Qichen Arrives in Karachi [XINHUA] .....	17
Urdu Beam Reports Qian Qichen's Pakistan Activities [Beijing International] .....	18
Qian Qichen Leaves Pakistan for Bangladesh [XINHUA] .....	18
Qian Qichen Stops Over in Nepal En Route to Bangladesh [XINHUA] .....	18
Foreign Minister Qian Qichen Arrives in Bangladesh [XINHUA] .....	19

## NATIONAL AFFAIRS

### Political & Social

Li Peng Discusses Work Report With Educators [XINHUA] .....	20
Li Ruihuan Inspects Zhuhai's Development [Hong Kong WEN WEI PO 17 Feb] .....	21
Ren Jianxin Views Procuratorial Work, Stability [QIUSHI 1 Feb] .....	22
Survey Shows 'Young' Consider Corruption 'Serious' [ZHONGGUO XINWEN SHEJ] .....	26
Yunnan Reports Success in Anticorruption Drive [RENMIN RIBAO 15 Feb] .....	27
Six Charged With Beating Taiwan Lawyer in Hubei [Hong Kong EASTERN EXPRESS 24 Feb] ..	27
Overseas Basic Pilot Training Banned After 1995 [Hong Kong EASTERN EXPRESS 24 Feb] .....	28

### Science & Technology

Li Peng, Liu Huqing Write to Aerospace Forum [XINHUA] .....	28
Guangdong To Build Second Nuclear Power Plant .....	29
Governor Confirms Plans [Guangzhou Radio] .....	29
Hong Kong Fears Plans [Hong Kong SOUTH CHINA MORNING POST 23 Feb] .....	29
New Satellite Earth Station Goes Into Operation [CHINA DAILY 23 Feb] .....	30
Beijing Sets Up Maritime Signals Satellite Station [XINHUA] .....	30

### Economic & Agricultural

Qian Qichen Addresses Overseas Exchanges Meeting [ZHONGGUO XINWEN SHEJ] .....	30
Tian Jiyun Inspects Guangdong's Shantou 16-20 Feb [Guangzhou Radio] .....	31
Beijing Holds National Statistics Work Conference .....	32
Commentator Previews Meeting [RENMIN RIBAO 21 Feb] .....	32
'Urgent Need' for Reform Seen [ZHONGGUO XINWEN SHEJ] .....	33
Reportage on January's Economic Performance .....	33
XINHUA Reports .....	33
Said 'Normal' [ZHONGGUO XINWEN SHEJ] .....	33
Shanghai Professor Criticizes Economic Policies [Hong Kong EASTERN EXPRESS 24 Feb] .....	34
Civil Aviation Official Stresses Flight Safety [Beijing Radio] .....	35
Gold Market To Open to Outside World [ZHONGGUO TONGXUN SHEJ] .....	35

## REGIONAL AFFAIRS

### Central-South Region

Guangdong Authorities Crack Drug-Trafficking Ring [ZHONGGUO XINWEN SHEJ] .....	37
Shenzhen Welcomes UK Firms To Build Subway [ZHONGGUO TONGXUN SHEJ] .....	37
Grenade Thrown in Guangxi Train Station [Hong Kong MING PAO 23 Feb] .....	37

## North Region

Beijing Executes Five for Murder	<i>[BEIJING RIBAO 30 Jan]</i>	38
Beijing Arrests Passengers Carrying Narcotics	<i>[BEIJING RIBAO 2 Feb]</i>	38
Laborers 'Pouring' Into Beijing Reach Almost One Million	<i>[ZHONGGUO XINWEN SHE]</i>	39
Fewer in Beijing Go Abroad To Study at Own Expense	<i>[ZHONGGUO XINWEN SHE]</i>	39
Beijing Improves Postal Services in 1993	<i>[XINHUA]</i>	39
Beijing Makes Progress in Housing Reform	<i>[XINHUA]</i>	40
Beijing Sees More 'Public-Run' Performing Troupes	<i>[XINHUA]</i>	40
Water From Huang He Diverted to Hebei Province	<i>[XINHUA]</i>	40
Inner Mongolia Reviews 1993 Progress	<i>[NEIMENGGU RIBAO 26 Jan]</i>	41
Inner Mongolia Official Speaks at Court Meeting	<i>[NEIMENGGU RIBAO 29 Jan]</i>	42
Inner Mongolia Executes Convicted Murderers	<i>[NEIMENGGU RIBAO 22 Jan]</i>	43
Inner Mongolia Sentences Thief, Murderer To Death	<i>[NEIMENGGU RIBAO 29 Jan]</i>	43
Shanxi Campaigns Against Endemic Diseases	<i>[XINHUA]</i>	43
Tianjin Secretary, Mayor Visit Workers	<i>[TIANJIN RIBAO 30 Jan]</i>	44
Tianjin Secretary Views Urban Collective Economy	<i>[TIANJIN RIBAO 27 Jan]</i>	46
Tianjin Holds Foreign Affairs Work Conference	<i>[TIANJIN RIBAO 27 Jan]</i>	47
Tianjin Becomes 'Golden Channel' for Foreign Trade	<i>[XINHUA]</i>	47

## Northeast Region

Heilongjiang Secretary Views Deng's Works	<i>[HEILONGJIANG RIBAO 20 Dec]</i>	48
Heilongjiang Officials View Overseas Enterprises	<i>[Harbin Radio]</i>	56
Liaoning Sentences Official To Death for Bribery	<i>[Shenyang Radio]</i>	57

## TAIWAN

Li Teng-hui Gives News Conference on Overseas Trip	<i>[Taipei CHUNG YANG JIH PAO 18 Feb]</i>	58
USTR Representative Arrives for Talks	<i>[CNA]</i>	63
Prosecutor Indicts Mainland Couple for Hijacking	<i>[CNA]</i>	64

## HONG KONG & MACAO

### Hong Kong

Governor To Proceed With Electoral Bill	<i>[Hong Kong TV]</i>	65
District Board Members Ask Patten To Withdraw Bill	<i>[XINHUA]</i>	66
Legislative Council Approves Governor's Reform Proposals	<i>[Hong Kong SOUTH CHINA MORNING POST 24 Feb]</i>	66
PRC Office Reacts to Legco's Adoption of Electoral Bill	<i>[XINHUA]</i>	67
PRC Leaders Confident of Hong Kong Prosperity	<i>[XINHUA]</i>	68
Ding Guangen, Li Lanqing Meet Magazine Chairman	<i>[XINHUA]</i>	68
Government To Release British Account of Failed Talks	<i>[Hong Kong HONGKONG STANDARD 24 Feb]</i>	68
PRC Official Comments on 'Sticking Point' in Talks	<i>[Hong Kong EASTERN EXPRESS 24 Feb]</i>	69
Zhou Nan Denies Rumor of Transfer to Beijing	<i>[Hong Kong TA KUNG PAO 18 Feb]</i>	69
XINHUA Local Director Criticizes Britain	<i>[ZHONGGUO TONGXUN SHE 18 Feb]</i>	69
XINHUA Local Deputy Director Views Patten's Trip	<i>[Hong Kong TA KUNG PAO]</i>	70
Zhang Junsheng Views Response to UK Releasing Details	<i>[Hong Kong WEN WEI PO 23 Feb]</i>	71
UK, PRC Military Land Talks Remain Deadlocked	<i>[Hong Kong HONGKONG STANDARD 24 Feb]</i>	71
Mainland To Reduce Large-Scale Investment Fairs	<i>[Hong Kong LIEN HO PAO 17 Feb]</i>	72

General

Foreign Ministry Holds Weekly News Briefing

Criticizes Hong Kong Package

OW2402101894 Beijing XINHUA in English 1002  
GMT 24 Feb 94

[Text] Beijing, February 24 (XINHUA)—The responsibility for the disruption of cooperation between China and Britain on Hong Kong's political system rests entirely on the British side, said a Foreign Ministry spokesman at a weekly news conference here this afternoon.

The Hong Kong Legislative Council [Legco] today passed the first-phase draft legislation on the 1994-95 election arrangements. The Hong Kong Government will also submit the second-phase draft legislation to the Legco for discussion.

The Foreign Ministry spokesman said that last December, before the Chinese and the British sides had reached any agreement on the district board election arrangements, the British side submitted the first-phase draft of legislation to the Hong Kong Legislative Council, thus directly causing the termination of the talks between China and Britain.

Now, in disregard of repeated dissuasion by China, and the aspirations of all the social strata in Hong Kong for a settlement of the question concerning the 1994-1995 election arrangements through negotiations, the British side has had the first-phase draft legislation on the 1994-95 election arrangements passed by the Hong Kong Legco and also decided to submit the second-phase draft legislation to the Legco for discussion.

The spokesman said: "This fully shows that the British side does not have sincerity to solve the question through cooperation with the Chinese side, and is bent on moving further on this erroneous path.

"The door of negotiation has been closed by the British side," he said.

"The responsibility for the disruption of cooperation between China and Britain on Hong Kong's political system rests entirely with the British side," he said.

He noted that the Chinese side reiterates that without an agreement between China and Britain, the framework of the three-tiered political system established through British Hong Kong authorities legislation cannot last beyond June 30, 1997.

The British side today published a white paper to disclose the detailed contents of last year's Sino-British talks.

An understanding not to disclose to the public the contents of the negotiations was reached between China and Britain before the talks began last year, he said.

Today's act by Britain "is against the understanding," he said. "The Chinese side cannot but make due reactions," he added.

Asked about Australian Foreign Minister Gareth Evans, in a recent TV interview in Australia, expressing strong support for the political package of Chris Patten, the spokesman said that what was now at issue between China and Britain on Hong Kong "is not whether Hong Kong should have democracy, but whether commitment is to be honored."

He said that there were a series of agreements and understandings between the two countries on the evolution of Hong Kong's political system. "But the British side is now trying to repudiate them and have its own way. This is absolutely unacceptable to the Chinese side," he said.

"In the more than one hundred years during the British rule, there has been no democracy at all in Hong Kong," he said. "It is with ulterior motives that Britain pushes a Chris Patten package in Hong Kong before it leaves. It will be futile to defend the package."

"The maintenance of Hong Kong's social stability and economic prosperity is not only in the interests of China and Britain, but also of those countries that have economic interests in Hong Kong," he said.

"The question of Hong Kong is a matter between China and Britain before June 30, 1997, and from July 1, 1997, it will be purely an internal affair of China," he said. "It is inappropriate to make irresponsible remarks on the political affairs of Hong Kong."

Liu Huaqiu To Visit South America

OW2402084694 Beijing XINHUA in English 0827  
GMT 24 Feb 94

[Text] Beijing, December 24 (XINHUA)—Vice-Foreign Minister Liu Huaqiu will, as special envoy of the Chinese Government, attend the inauguration ceremony of President Frei of the Republic of Chile on March 11, at the invitation of the Chilean Government.

Around this time, he will pay a working visit to the Republic of Venezuela and the Republic of Argentina upon the invitation of the foreign ministries of the two countries, a Foreign Ministry spokesman announced here this afternoon.

Singapore Prime Minister To Visit

OW2402083594 Beijing XINHUA in English 0827  
GMT 24 Feb 94

[Text] Beijing, December 24 (XINHUA)—Singaporean Prime Minister Goh Chok Tong will pay a working visit to China from February 26 to 27, a Chinese Foreign Ministry spokesman announced here today.

Goh will attend the signing ceremony of the agreement on the joint development of the Suzhou Industrial Park between the Chinese and the Singaporean Governments, the spokesman said.

**Netherlands Foreign Minister To Visit**  
**OW2402090594 Beijing XINHUA in English 0844**  
**GMT 24 Feb 94**

[Text] Beijing, February 24 (XINHUA)—Peter Kooijmans, minister of foreign affairs of the Netherlands, will pay a visit to China from March 7 to 9 at the invitation of Chinese Vice-Premier and Foreign Minister Qian Qichen.

A Chinese Foreign Ministry spokesman made this announcement here this afternoon.

**Luxembourg Prince To Visit**  
**OW2402091294 Beijing XINHUA in English 0850**  
**GMT 24 Feb 94**

[Text] Beijing, February 24 (XINHUA)—His Royal Highness Prince Henri, hereditary grand duke of Luxembourg, will visit China from March 11 to 16 at the invitation of the Chinese Government.

This was announced by a Chinese Foreign Ministry spokesman here this afternoon.

**Russia's NTV Says Moscow To Retaliate Over U.S. 'Spy Scandal'**  
**OW2402025994 Beijing XINHUA in English 0219**  
**GMT 24 Feb 94**

[Text] Moscow, February 23 (XINHUA)—Moscow would expose Central Intelligence Agency (CIA) agents in Russia in retaliation for the U.S. judicial proceedings against a couple of Russian spies, the Russian independent NTV company reported on Wednesday [23 February].

It quoted an unidentified "high-ranking Russian official" as saying that "given the wish, it is possible to spotlight American diplomats working for the CIA and Russians collaborating with the secret service."

The U.S. Government has instituted judicial proceedings against Aldrich Hazen Ames, the former chief of the CIA's Soviet Counter-Intelligence Branch, and his wife Maria, charging them with spying for the former Soviet Union and Russia.

Ames, 52, a CIA employee for more than 31 years, and his wife, Maria Del Rosario Casa Ames, 41, a Colombian-born naturalized U.S. citizen, were arrested on Monday by CIA and FBI agents.

According to the U.S. Department of Justice, the Ames couple have been spying against the U.S. since 1985 and

received more than 1.5 million U.S. dollars in payoff money and deposited the money on accounts in U.S. and foreign banks.

The investigation of the case started 10 months ago. U.S. President Bill Clinton described it as "a very serious case" and ordered the State Department to lodge an official protest to the Russian Government.

Yuri Kobaldze, spokesman for the Russian Foreign Intelligence Service, said on Wednesday that the spy scandal over the Ames couple might have been revealed to discredit the success of the Russian foreign policy in resolving the Sarajevo crisis.

Russian Foreign Ministry Spokesman Grigoriy Karashin stated, meanwhile, that "much has to be cleared up."

In a statement delivered earlier Wednesday, Russian Presidential Spokesman Vyacheslav Kostikov said, "a return to the psychology of the Cold War, mounting mistrust, and a new wave of spy mania would contradict the ideas of international partnership for peace."

**XINHUA Told Russian Forces in Bosnia To Remain Neutral**  
**OW2402030594 Beijing XINHUA in English 0229**  
**GMT 24 Feb 94**

[Text] Sarajevo, February 23 (XINHUA)—A commander of the Russian peacekeeping forces in Bosnia-Hercegovina said today that his forces would remain neutral while conducting peacekeeping operations and observing the ceasefire.

He told XINHUA reporters that the Russian troops will not be on the side of the Bosnian Serbs, but will treat all sides equally.

He said his forces have not yet begun their mission, and were now familiarizing themselves with the complicated situation and environment in the Serb-held areas.

The commander said that the peacekeeping forces, as well as the civilian population, require security guarantees.

He added that his battalion would stay as long as the UN peacekeeping force commander in Sarajevo and the Russian Government so desire.

Russia, a traditional ally of the Serbs, intervened in the Bosnian crisis on the eve of the NATO ultimatum deadline threatening air strikes against the Serbs.

Some 400 Russian troops stationed in Croatia arrived in Sarajevo Sunday evening to enforce and monitor the cease-fire.

The Russian troops, along with French forces, are deployed along the dividing line between Serbs and Muslims, and are led by French Brigadier General Andre Soubirou, the commander of UN forces in Sarajevo.

The commander said his forces will continue to carrying out their peacekeeping mission and monitor the cease-fire.

Since the cease-fire agreement signed two weeks ago the 22-month-old war has subsided, as local people try to resume a normal life.

A Sarajevo resident told XINHUA reporters that he felt much safer now than ten days ago, and sees a gleam of hope for Sarajevo "after Russia's efforts to solve the Bosnian conflict".

#### XINHUA Notes Russia Proposes All European Partnership

OW2402055794 Beijing XINHUA in English 0546  
GMT 24 Feb 94

[Text] Warsaw, february 23 (XINHUA)—Visiting Russian Foreign Minister Andrey Kozyrev proposed today a "new partnership for the whole of Europe."

He said that the partnership should be based on cooperation within the Conference on Security and Cooperation in Europe (CSCE), adding that the CSCE should become an efficient political organization.

Under the partnership, Kozyrev said in the southern Polish city of Krakow, Russia and its western partners will ensure the security of central and Eastern European nations.

As to the application of the VISEGRAD group (Poland, the Czech Republic, Hungary, and Slovakia) to join the North Atlantic Treaty Organization (NATO), he noted that this could result in new political demarcations if NATO accepts the four countries, adding that this action could isolate Russia.

#### Yeltsin Proposes Summit With West Over Former Yugoslavia

OW2402030994 Beijing XINHUA in English 0240  
GMT 24 Feb 94

[Text] Moscow, February 23 (XINHUA)—Russian President Boris Yeltsin confirmed today that he had proposed a one-day summit meeting with leaders of four big NATO nations to "put a full end" to the conflicts in former Yugoslavia.

Yeltsin said he believes it is possible to sign a joint agreement between leaders of Russia, the United States, Britain, France and Germany on "ending the bloodshed" in former Yugoslavia.

After laying a wreath at the tomb of the unknown soldier at the Kremlin wall on the occasion of the day of motherland defenders, Yeltsin said he had proposed that the leaders of Russia and the four major NATO member states meet in Moscow, Geneva or some other capital city for a day of talks and signing of "a document of historic significance."

He stressed that Russia must take part in resolving any major international issues and accused the west of attempting to deprive Moscow of any role in finding solutions to these issues.

"Attempts of certain leaders (of NATO) to keep Russia away from solving international security issues is a discrimination. Russia has to and will participate in all major international events as a permanent member of the UN Security council," the Russian president pointed out.

Yeltsin said Russia was outraged by the NATO ultimatum to Bosnian Serbs.

NATO's decision, he said, "without asking Russia, to bomb the Sarajevo region had made not only Russian diplomats but all Russian citizens indignant."

Yeltsin reiterated that Russia's efforts, including the trip of his special envoy Vitaliy Churkin to Bosnia-Herzegovina, averted the catastrophe.

Churkin negotiated a deal with Bosnian Serb leaders, under which the Serbs began pulling back their heavy weapons from around Sarajevo before the NATO deadline expired on February 20 and Russia's 400 peacekeepers moved from Croatia to the besieged city to contribute to a peacekeeping force there.

#### Bosnian Serbs Deny Alleged Fire at UN Forces

OW2402045694 Beijing XINHUA in English 0443  
GMT 24 Feb 94

[Text] Belgrade, February 23 (XINHUA)—The Bosnian Serb chief of staff, Manojlo Milovanovic, today denied that his troops had fired at the UN peacekeepers near Tuzla in northeastern Bosnia.

A UN spokesman said in New York today that it was the Muslim side who attacked the UN troops. But he did not denounce the Muslims.

The UN peacekeeping forces were reportedly attacked with mortars on Tuesday at Ribnica, some 20 kms southwest of Tuzla, with two military vehicles being hit and five Swedish soldiers wounded.

The chief of staff of the Nordic battalion in Tuzla said the fire "came from the area that is held by the Bosnian Serb army".

But Milovanovic said it was impossible for the Serb forces to bomb the place from their positions 22 kilometers away.

The Belgrade headquarters of UN peacekeeping forces in Bosnia said Croats and Muslims were fighting each other around Ribnica.

It remains unclear who shot at the UN peacekeepers.

The chief of staff of UN forces in Bosnia Angus Ramsay threatened air strikes against the Serb forces.

However, the commander of the UN forces in Bosnia, Michael Rose, ordered a careful investigation into the incident.

After the attack, the United Nations discussed the possibility of NATO air strikes against Tuzla area.

The UN has sent four fighter planes to fly over the area of northeastern Bosnia to investigate.

UN secretary-general's special envoy Yasushi Akashi refused the request for air strikes because "targets for strikes are unclear".

Since the UN peacekeeping forces were sent to the former Yugoslavia, 76 UN soldiers have been killed and 830 injured.

The western nations have recently asked to reopen the Tuzla airport by force to guarantee the convey of humanitarian aid.

They warned that if Serbs opposed the plan, NATO would launch air strikes against the Serb positions.

Observers said that attacks on the UN troops might become an excuse for NATO air strikes on Serb-held positions near the Tuzla airport.

#### XINHUA Views Bonn Meeting To Seek Peace in Bosnia

*OW2302094594 Beijing XINHUA in English 0727  
GMT 23 Feb 94*

[Text] United Nations, February 22 (XINHUA)—Participants of the Bonn meeting on Bosnia will concentrate on how to achieve a lasting peace in Bosnia-Herzegovina quickly, according to the press guidelines for the meeting today.

Urging the warring parties in Bosnia to grasp the chance for peace now, diplomats from the European Union, Canada, the Russian Federation and the United States as well as a U.N. representative decided to use the current momentum deriving from the success in Sarajevo to work closely together to promote an early negotiated settlement between them, said the guidelines released here.

"The participants proceed from the basis that the parties have already agreed to the quantitative territorial aspects of a settlement, as outlined in the European Union action plan, but that the quality and viability of territory for the Bosnian Government needs to be improved," the guidelines said.

In Sarajevo, efforts will be made to stabilize the ceasefire by effective disengagement of forces, ensure free access to Sarajevo by land for humanitarian aid convoys and restore normal life to the city with the assistance of the United Nations, said the guidelines.

To create necessary conditions to facilitate a peaceful solution and to alleviate the suffering of the civilians

until a settlement is achieved, efforts also include rapid rotation of U.N. forces into Srebrenica and Zepa and rapid opening of the Tuzla airport for humanitarian aid deliveries, the guidelines added.

The participants in the one-day meeting welcomed the recent developments in and around Sarajevo as an important step towards ending the war throughout the former Yugoslav republic.

#### Report Says President Clinton Attempts To Mend UK Ties

*OW2002023594 Beijing XINHUA in English 0013  
GMT 20 Feb 94*

[Text] London, February 19 (XINHUA)—U.S. President Bill Clinton will take British Prime Minister John Major on a visit to Pittsburgh and invite him to sleep at the White House in an attempt to ease strained relations between the two leaders, REUTER NEWS AGENCY reported today.

The visit, on February 28, "follows a suggestion made by the President last year after learning that the prime minister's father and grandfather had lived and worked in the Pittsburgh area," White House Spokeswoman Dee Dee Myers said in a statement.

Following a "working evening and dinner" in the Pennsylvania city, northwest of Washington, the two leaders will return to the White House, where Major will spend the night as Clinton's guest.

It marks the first time Clinton has travelled outside Washington with foreign head of state and the first time he has invited a foreign leader to sleep at the White House.

Major will leave for a four-day visit to Washington on February 27. He met Clinton in Washington last February shortly after Clinton took office.

However, the traditional "special relationship" between the United States and Britain has become cool after Major's conservative government support Former President George Bush during 1992 presidential campaign.

Last month, Clinton offended Britain by allowing the leader of the IRA's [Irish Republican Army] political wing Sinn Fein, Gerry Adams, to enter America for the first time in the past 20 years.

There was still differences between the two countries on Bosnia as London urged Washington to play a more active role in the peace process and contribute troops to the U.N. peacekeeping operations.

**President Clinton Welcomes Mandela's Election Efforts**

*OW1902015594 Beijing XINHUA in English 2330  
GMT 18 Feb 94*

[Text] Washington, February 18 (XINHUA)—U.S. President Bill Clinton talked by telephone with African National Congress (ANC) President Nelson Mandela today and welcomed his steps to push all groups participate in South African's first all-race elections.

White House Press Secretary Dee Dee Myers told reporters that Mandela initiated the 10-minute call to Clinton to discuss the steps that the ANC has taken in recent days to facilitate the participation of all parties in the April 27-28 elections.

"Mandela said that these measures included proposals for a constitutional principle respecting the right of self-determination, safeguards for the powers of regional governments and extension of the deadline for parties to register for the election," Myers said.

Clinton welcomed the steps and told Mandela that he and other parties had gone "the extra mile to accommodate the concerns of all the parties in South Africa," she said.

Clinton also told Mandela that the United States "will continue to work to persuade all groups in South Africa that participation in the upcoming elections is the best route for them to influence the future course of their country.

**RENMIN RIBAO Analyzes U.S.-Japanese Relations**

**Views Trade Ties**

*HK2402003494 Beijing RENMIN RIBAO in Chinese  
15 Feb 94 p 6*

[News Analysis" by staff reporter Liu Aicheng (0491 1947 2052): "U.S.-Japanese Trade Conflict Sharpens"]

[Text] Washington, 13 Feb (RENMIN RIBAO)—Between 10 and 12 February, Japanese Prime Minister Morihiro Hosokawa made a three-day visit to the United States and held talks with U.S. President Clinton on bilateral trade relations. Because neither side made concessions, no agreement was reached. This shows that after the end of the Cold War, economic and trade contradictions between the two countries have become sharper.

Japan is the second largest trade partner of the United States. Trade frictions have continuously existed between the two countries for a long time, and the main problem is the increasingly serious imbalance in bilateral trade. According to statistics from the U.S. side, Japan's trade surplus with the United States has increased year after year, and amounted to \$54 billion between January

and November 1993. In order to solve the trade imbalance issue, Clinton reached a "framework agreement" last July in Tokyo with former Japanese Prime Minister Miyazawa to make Japan open its markets wider and to reduce its trade surplus with the United States. In the agreement, the Japanese side promised to adopt measures to stimulate economic growth, increase imports, and reduce its trade surplus. In more concrete terms, Japan agreed to increase imports of autos and auto parts, telecommunications equipment, medical equipment, and services from the United States. The framework agreement stipulated that the leaders of the two countries would hold talks twice a year. The two sides planned to reach concrete agreements on implementing the "framework agreement" at the recent summit meeting.

At the meeting, the positions of the two sides were distant. Hosokawa put forth his plan to stimulate economic growth in Japan. The plan will cost \$140 billion, and it includes such measures as reducing individual income taxes, stimulating consumer purchasing power, and increasing imports. However, the U.S. Government was not satisfied with this and held that the plan was not effective enough to bring about substantial changes in the Japanese economy and did not guarantee an expansion of imports from the United States. The U.S. side insisted that Japan should have "objective standards" for expanding the openness of its market and should lay down "quantitative targets" for imports. Japan refused to accept this, holding that this would be de facto "managed trade," which goes against the principle of free trade. As the two leaders held tough positions, the talks inevitably broke down. Observers here held that the U.S.-Japanese trade conflict can mainly be attributed to the following factors. First, after the end of the Cold War, the Untied States gave top priority to correcting its trade imbalance with Japan in its Japanese policy, and it is impossible for Japan to require the United States to make concessions on the grounds of "strengthening global cooperation between Japan and the United States." Before Hosokawa visited the United States this time, the Japanese foreign minister arrived in Washington one day earlier and met with a lot of key diplomats and security officials on the U.S. side in the hope that U.S. officials would persuade American business circles, as they had done before, and would thus make concessions. However, he found that the U.S. officials held the same position and in turn required the Japanese side to make concessions. Second, the Clinton administration has found it harder to endure the increasing trade deficits incurred by its country, and resolved to adopt tough measures to reduce the trade deficit with Japan for the sake of the U.S. economy and employment prospects.

At the summit meeting, the Japanese side did not give an impression of weakness. Japan opposed the adoption of quantitative targets. On the one hand, it does not want to subject itself to U.S. controls; on the other hand, Japan has not yet recovered from its most serious economic

recession since the end of World War II and is finding it hard to increase imports. As both the United States and Japan have to proceed from their respective interests, it will be hard for them to actually solve their trade frictions.

### Views Overall Relations

*HK2402003694 Beijing RENMIN RIBAO in Chinese  
15 Feb 94 p 6*

[*"News Analysis"* by staff reporter Zhang Guocheng (1728 0948 2052): "Japanese-U.S. Relations Viewed From Breakdown of Trade Talks"]

[Text] Tokyo, Feb 13 (RENMIN RIBAO)—When discussing the recent Japanese-U.S. trade summit meeting, Japanese public opinion paid more attention to the impact of the event on Japanese-U.S. relations.

Japanese-U.S. trade frictions have lasted for 30 years. In this period, the two countries continued to hold talks and continued to work out new programs in an attempt to solve or mitigate frictions. The latest round of such talks began after the G-7 summit meeting in Tokyo last July.

An interesting fact was that the breakdown of the talks this time did not cause the host and the guest to leave each other unhappily. At the news conference, the two leaders made rather frank speeches which were benign on their overall relations. After admitting that the talks had broken down, Clinton said that it was better to have reached no agreement than to have reached an empty agreement. Hosokawa said that frankly admitting things that could not be done was a demonstration of the maturity of bilateral relations. The two leaders both agreed that the breakdown of their economic talks would not affect the cooperative Japanese-U.S. relationship in global affairs.

Public opinion here pointed out that all the previous economic talks between the Japan and the United States ended with Japanese concessions. This time, Japan explicitly said "no," and this was also the first time Japan had done this. After the breakdown of the talks, both sides frankly admitted the fact of the breakdown and said that this would not affect bilateral relations. This was also an unprecedented event. Therefore, public opinion in Japan was rather elated at this result. Japanese commentators said that although the talks did not succeed, a new relationship of "being able to speak frankly" between Japan and the United States had been established beyond expectations. This was of great significance to Japan.

The dissolution of the Cold War-oriented world pattern has weakened the binding force among Western countries, which have attached greater importance to their respective national interests in approaching their mutual relations. Among the three major pillars of their relations, namely, political, security, and economic pillars, the first two have become less and less important, while

the economic factor has become the main factor deciding relations between the Western countries.

While major changes have occurred in the international situation, the status of the United States is also becoming much weaker than before, and Japan is adopting a much stronger sense of being a big power. Such an objective situation has forced the United States to attach importance to the principle of "reaching agreement through consultations" in approaching its relations with other Western countries. Eventually, Japan dared to say "no" in the talks, and this could only appear in a book rather than in reality a few years ago.

After the recent talks, will Japan really be able to stand on an equal footing with the United States? While expressing its happiness, Japanese public opinion also paid attention to the fact that after the breakdown of the talks, the hawk faction on the U.S. side demanded that "Super 301" should be applied to impose sanctions against Japan; they also noted that the U.S. side this time was unconcerned mainly because it had confidence derived from the beginning of its economic recovery. Therefore, Japanese commentators said that while saying "no," Japan should still take some initiatives in the economic field. Under the current changeable and complicated international situation, the development of Japanese-U.S. relations after the recent summit meeting will become more significant.

### 'News Analysis' Views U.S.-New Zealand Defense Strains

*OW2202131094 Beijing XINHUA in English 1223  
GMT 22 Feb 94*

[*"News Analysis"* by Chen Jinjun: "NZ, U.S. Still Differ on Nuclear Issue"]

[Text] Wellington, February 22 (XINHUA)—New Zealand's anti-nuclear legislation still remains as a hinderer to closer relations with the United States despite the U.S. decision to lift the restraints on senior-level contacts between the two countries.

The U.S. decision, announced last Friday [18 February], was welcomed by NZ Prime Minister Jim Bolger as a "positive step" taken by President Bill Clinton.

Bolger said the resumption of senior-level contacts will "enable us to have the kind of dialogue commensurate with our shared interest and values, on both bilateral and broader strategic issues."

He even suggested that the move could open the way to joint military exercises run by a third country.

However, the U.S. thinks otherwise. Announcing the decision, the State Department said the decision does not signify a restoration of the United States' defense obligations to New Zealand.

It said the U.S. Administration, while recognizing that the two countries have important business to conduct

outside the area of defense relations, agreed to continue to press for a change in New Zealand's anti-nuclear legislation.

The NZ [New Zealand]-U.S. relations soured in 1985 after New Zealand refused entry to its ports by the U.S. Navy ship "Buchanan" for fear that the ship might be equipped with nuclear weapons. In 1987, it passed the anti-nuclear legislation banning visits by warships and military planes suspected of carrying nuclear arms.

Washington retaliated by imposing the restraints on high-level contacts with New Zealand, and later suspended its obligations under the ANZUS (Australia, New Zealand, the United States) treaty.

Although tactical nuclear weapons are said to have been removed from U.S. vessels, the U.S. military still insists on neither confirming nor denying the presence of nuclear weapons on U.S. warships.

Observers here believed that despite the resumption of senior-level contacts, the nuclear issue is still essential to closer ties between the two countries [as received], particularly in the area of defense.

The New Zealand Government is unlikely to take any move toward modifying its anti-nuclear stance in view of its one-vote majority in the parliament. Bolger has made it clear that there will be no change to New Zealand's anti-nuclear legislation to accommodate the U.S. position.

#### Article Views Establishment of World Trade Organization

HK1702131694 Beijing RENMIN RIBAO in Chinese  
13 Feb 94 p 7

[Article by Sheng Baoliang (4141 1405 5328): "An Important Change in the International Multilateral Trade System—From GATT to the World Trade Organization"]

[Text] GATT, which has represented the global multinational trade system for a long time, will soon be replaced by a new world trade organization.

This is an important decision made at the GATT Uruguay Round talks as well as an important change in the international multilateral trade system. According to the schedule in the wake of the Uruguay Round, the World Trade Organization will probably take effect on 1 July 1995, but the exact date will be finally fixed at the Uruguay Round ministerial meeting in Morocco this April.

The idea and proposal of establishing a world trade organization was put forward by the EC and Canada in the later stages of the Uruguay Round talks. However, they called it a multilateral trade organization which was intended to effectively implement the results of the Uruguay Round talks, expand the scope of GATT, and include the results of the Uruguay Round talks on the

three new areas of intellectual property rights, investment measures, and service trade in the legal framework of the multilateral trade system and make GATT an official international trade organization and a permanent international trade agreement.

The basic principles and goals of the World Trade Organization are basically the same as those of GATT, that is, to promote the achievement of the goal of liberalizing world trade through implementing the principles of market opening, nondiscrimination, and fair trade. However, the former represents world trade in a wider scope, is more formal in organizational structure and legally, and has a much wider scope of functions. This is concretely embodied in the following aspects:

The World Trade Organization is very wide-ranging in content. It not only includes the goods trading rules which are traditional and which were amended in the Uruguay Round, but extends the world trade rules to such new areas as farm products, which have long been excluded from GATT, and investment measures, intellectual property rights, and the service trade. As an official international trade organization, it makes up for the shortcomings of GATT and is legally on an equal footing with other international organizations. It has a larger scope of functions. In addition to GATT's original functions of organizing the implementation of multilateral and submultilateral [ci duo bian 2945 1122 6708] trade agreements, offering an arena for multilateral trade talks, and acting as a forum, it will also be responsible for periodically examining the trade policies of its members, handle trade disputes between members, and be responsible for strengthening cooperation with the IMF, the World Bank, and their subsidiary organizations so as to achieve uniformity in global economic policy. All agreements (excluding several submultilateral agreements such as government purchase agreements) will be a unified agreement and a basket of agreements and will not allow for optional signing. It will considerably amend the mutually inapplicable GATT clauses and allow its members to negotiate with a new joining party on tariff reductions and concessions. But upon the entry of the new joining party, the two sides have the right to determine that their clauses are mutually inapplicable to each other.

Unlike GATT, since the World Trade Organization will be an official international organization, all joining parties will be called "members." The World Trade Organization will have two types of membership status, namely founding member and new joining member.

Founding members must possess the following qualifications, neither of which are dispensable: They must be GATT members when the World Trade Organization takes effect; they must sign a basket of Uruguay Round agreements; they must make tariff and nontariff reductions and concessions, and reductions and concessions in the area of the service trade in the Uruguay Round and

make these reductions and concessions part of the Uruguay Round reductions and concessions list and the reductions and concessions list of the service trade general agreement.

New joining member of the World Trade Organization refers to a country or an independent tariff region which possesses full rights over foreign trade that has become a member after negotiating joining conditions with the World Trade Organization after the World Trade Organization agreement takes effect. A decision of the World Trade Organization regarding acceptance of a new member must be approved by a two-thirds majority at a ministerial meeting.

The establishment of the World Trade Organization will have a huge and far-reaching influence on standardizing and managing the future world economy and trade and on promoting the liberalization of global trade to a much greater extent and in a much wider scope. The World Trade Organization has inherited and developed the open and cooperative multilateral trade system represented by GATT, and thus greatly enhances people's confidence in the multilateral trade system. This is the motive power for the multilateral trade system to be long-lasting. The series of agreements under its jurisdiction will become new "traffic rules" for future world trade and will help ensure that international trade proceeds under normal order.

Since the Uruguay Round trade liberalization measures concretely organized for implementation by the World Trade Organization will make all markets around the world more open and enable them to gradually benefit from this, it is undoubtedly very conducive to promoting international trade and economic growth and to increasing the employment opportunities of all countries. Its unified dispute resolution mechanism will mediate international trade disputes much more quickly and effectively and will to some extent reduce the unilateral retaliatory acts of some big trading nations.

Nevertheless, as a product of the Uruguay Round, the World Trade Organization has some shortcomings due to the limitations of the Uruguay Round. It does not take into sufficient consideration the interests of developing countries, in particular. It has not resolved all problems in the sphere of international trade, such as the issues of trade and the environment and the issue of restrictive commercial practices.

The Uruguay Round has only temporarily balanced the international trade interests of some Western powers. Following the implementation of a basket of Uruguay Round agreements, they will unavoidably have new contradictions and conflicts of interests and will need the World Trade Organization to coordinate and resolve them. Therefore, the tasks faced by the World Trade Organization will be very heavy.

## United States & Canada

### Jiang Zemin Comments on Sino-U.S Relations' Development

*OW2402023294 Beijing XINHUA Domestic Service in Chinese 0709 GMT 23 Feb 94*

[By reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 23 Feb (XINHUA)—While meeting with former U.S. Secretary of State Lawrence Eagleburger this morning at Zhongnanhai, Chinese President Jiang Zemin said that development and peace remain the two issues confronting the world.

Jiang Zemin said: The current international situation is still changing in a complicated and profound way. The world is developing in the direction of multipolarization, and regionalization and conglomeration of the world economy are tending to accelerate. However, the various contradictions and conflicts concealed by the Cold War are gradually being uncovered, leading to disturbances, clashes, and even the spilling of blood in some areas.

On Sino-U.S. relations, Jiang Zemin said: China has always attached much importance to developing relations with the United States. More mutual trust and cooperation between China and the United States will help the two countries to play a more active role in handling international affairs.

He said: Sino-U.S. relations have seen some positive developments since the meeting between the presidents of the two countries last year. Exchanges of high-level visits have increased, and bilateral trade and economic cooperation have been strengthened. All these are helpful in promoting mutual understanding and solving differences.

Jiang Zemin believed: As long as both sides have their eyes on the over-all situation and the next century, grasp [ba wo 2116 2250] the long-term interests of the two countries, strictly observe the principles of the three joint communiques between the two governments, respect the facts, increase consultations, and seek common ground while reserving differences, Sino-U.S. relations will be able to maintain constant development on a normal track.

During the meeting, Eagleburger said the changes that have taken place in China are very impressive, and all those who are concerned about stability in the next century must be aware of the importance of correctly handling U.S.-Chinese relations, because a sound Sino-U.S. relationship is beneficial not only to the two countries, but to world stability, and peace as well.

Eagleburger is here as a guest of the Chinese Foreign Ministry, leading a U.S. "China investment and trade" delegation. The delegation arrived in Beijing on 21 February for a goodwill visit to China.

**Sino-U.S. Seminar Views Intellectual Property Rights**

*OW2402105494 Beijing XINHUA Domestic Service in Chinese 0911 GMT 24 Feb 94*

[By reporter Li Dibin (2621 6611 2430)]

[Text] Beijing, 24 Feb (XINHUA)—A Sino-U.S. seminar on legislation on intellectual property rights [IPR] was held in Beijing yesterday.

Since 1992, China has promulgated and implemented the "Patent Law," the "Trademark Law," the "Copyright Law," the "Law Against Unfair Competition," and other laws and statutes; and has joined the world IPR organization, the Paris Convention for protecting industrial property rights, the World Copyright Convention, and the Patent Cooperation Agreement; thereby establishing a world-class system for protecting IPR. At the seminar, officials from the U.S. Justice Department and Customs explained the enforcement of U.S. legislation to protect IPR, and offered suggestions on how China could protect IPR. The seminar was attended by representatives from the Chinese Ministry of Foreign Trade and Economic Cooperation, the State Science and Technology Commission, and other ministries and commissions concerned. Officials from the State Copyright Bureau and Trademark Bureau gave briefings on the protection of copyright and the implementation of the trademark law in China, as well as measures being taken in these areas.

**Li Lanqing Speaks of U.S. Ties With Eagleburger**

*OW2302133794 Beijing XINHUA in English 1239  
GMT 23 Feb 94*

[Text] Beijing, February 23 (XINHUA)—China's Vice-Premier Li Lanqing met here this afternoon with Lawrence S. Eagleburger, former U.S. secretary of state, and his party.

Li said that Sino-U.S. relations do not only concern the fundamental interests of the two peoples, but also is of vital importance to world peace and stability.

He said that Sino-U.S. economic and trade relations are a very important part of overall Sino-U.S. relations and China's policy of reform and opening to the outside is irreversible and would develop further.

He noted that the two economies are strongly complementary, each having its own characteristics and advantages, and the two countries should seize the opportunity to expand exchanges and cooperation in the fields of economy, trade, science and technology in the interests of the two peoples.

Eagleburger said that economic and trade relations between China and the U.S. are as important as bilateral political relations.

He said that there are some difficulties in bilateral relations at present but these can be overcome. The bilateral relations must be improved.

U.S. ambassador to China J. Stapleton Roy was present at the meeting.

**Shanghai Mayor Meets George Shultz**

*OW1902133194 Beijing XINHUA in English 1319  
GMT 19 Feb 94*

[Text] Shanghai, February 19 (XINHUA)—Shanghai Mayor Huang Ju met with George Shultz, former secretary of state of the United States, here this evening.

Shultz arrived here by air this morning from Beijing.

Huang and Shultz exchanged views on furthering the economic and trade ties between Shanghai and the United States.

Shultz, now director and senior consultant of the U.S.-based Bechtel Company, said that he would like to contribute more to the expansion of U.S.-China relations.

**NPC Vice Chairman Wang Guangying Meets U.S. TV Group**

*OW2402110094 Beijing XINHUA in English 1020  
GMT 24 Feb 94*

[Text] Beijing, February 24 (XINHUA)—Wang Guangying, vice-chairman of the Standing Committee of China's National People's Congress, met here this afternoon with a TV delegation from the United States headed by Bruno Z. Wu, who is managing director of the U.S.-China Chamber of Commerce.

They exchanged views on issues of common interest.

This morning, the delegation visited the head office of the XINHUA NEWS AGENCY, and vice-president of XINHUA Zhang Baoshun met with the delegation and hosted a banquet in their honor at noon.

The U.S. guests are here to conduct businesses with about 30 Chinese provincial TV stations.

This morning, they signed five cooperative agreements or contracts with XINHUA concerning press, information and business directories.

**XINHUA Notes U.S. To Pursue Spy Case 'Aggressively'**

*OW2302214194 Beijing XINHUA in English 2111  
GMT 23 Feb 94*

[Text] Washington, February 23 (XINHUA)—U.S. President Bill Clinton said today the United States will pursue aggressively the case of CIA officer working for the former Soviet Union and Russia since 1985.

While waiting for a formal response from the Russians, Clinton stressed the seriousness of the case but said

Washington would continue to pursue its supportive policy toward President Boris Yeltsin.

Clinton said he had already had a preliminary assessment of the damage caused by Aldrich Ames's selling of vital CIA operations and personnel information to the Russians.

On the capitol, secretary of state Warren Christopher said, "the extent of the effect of this incident on our relationship with Russia will depend upon Russian actions in the days ahead."

"Events in Russia over the past few weeks have revived our fears about the future," Christopher said.

"Let me emphasize the United States will take every measure to protect the United States and prevent such activities from being carried out in the future," Christopher told a Senate hearing on U.S. foreign policy.

Ames, 52, had been worked for the CIA for 31 years before arrested by the Federal Bureau of Investigations on Monday [21 February]. He is allegedly to have provided Moscow with vital information in return for more than 1.5 million dollars.

Ames' wife, a 41-year-old Colombian native who worked for the CIA as a Colombian Embassy employee in Mexico City, Mexico, also was arrested, she is now a naturalized U.S. citizen.

She is said to be cooperating with the authorities, even before Monday's arrest, partly because of concerns over her young son, reports said.

As Washington gauges the extent of the damage done to its national security, reports are emerging that at least two Soviet citizens spying for CIA were killed shortly after Ames disclosed their identities to Russian intelligence agencies.

Ames and his wife face a maximum penalty of life imprisonment and a fine of 250,000 million dollars for each.

#### **U.S. Senate Confirms Talbott as Deputy Secretary of State**

*OW2302092694 Beijing XINHUA in English 0724 GMT 23 Feb 94*

[Text] Washington, february 22 (XINHUA)—The U.S. Senate confirmed today well-known journalist Strobe Talbott as deputy secretary of state.

Talbott was named to replace Clifton Wharton, Clinton's highest-ranking black official, who resigned on November 8 last year under pressure after eight months of intense criticism of Clinton's foreign policy team for the handling of the Bosnia, Somalia and Haiti issues.

The vote to confirm Talbott was 66-31.

After the confirmation, Talbott will enter a key policy-making circle at the U.S. State department, responsible for overall management of the department.

An expert on Russia and a longtime friend of President Clinton, Talbott was named last April as an ambassador-at-large to the former Soviet Union.

Talbott, a native of Dayton, Ohio state of mid-west U.S., graduated from Yale University in 1968, and began his journalist career in 1971 when he was assigned to Eastern Europe as a correspondent for the U.S. "TIME" magazine.

Among the most famous works he has done is the translation and editing of the three-volume memoir of the late Soviet leader Nikita Khrushchev.

#### **Department Allows Conditional Importing of U.S. Apples**

*OW2002085194 Beijing XINHUA Domestic Service in Chinese 0800 GMT 16 Feb 94*

[Text] Beijing, 16 Feb (XINHUA)—China's Animal and Plant Quarantine Department recently decided that it would agree on the conditional importing of apples from Washington state. For this purpose, the State General Institute of Animal and Plant Quarantine and the Animal and the Plant Health Inspection Service under the U.S. Department of Agriculture recently signed the "Plant Hygiene Conditions for the Export to China of Apples From Washington State in the United States."

In recent years, domestic demands for imported fruit have been growing steadily. To enhance bilateral trade between China and the United States and to meet the demands of the domestic market, China's animal and plant quarantine organ has, on the basis of widely collected relevant information, formed a specific group to carry out a study of the destructive nature of insect pests which might be present in apples imported from the United States. Based on their scientific analysis, experts hold that Washington state is not included in the area infested by the Mediterranean fruit fly, and that apples produced by this state may be exported to China with conditions. According to the agreement signed between China and the United States governing the plant-hygiene condition of apples to be imported from Washington state, the apples to be exported to China must be produced by orchards designated by the Chinese State General Institute of Animal and Plant Quarantine, and must be packed, frozen, and stored by designated factories. During the process of packing and prior to export, they must be strictly inspected by the U.S. animal and plant quarantine organ and it must be guaranteed that they meet the quarantine requirements as imposed by China. Moreover, upon their arrival in China, the apples exported to China must enter the country through designated ports and must be quarantined and cleared by a Chinese animal and plant quarantine organ before they are allowed to be put on sale.

The Mediterranean fruit fly is a destructive pest to fruit, one from which China is free. To prevent it from entering China, and to safeguard China's fruit production, China has banned the import of fruit from the United States and other countries affected by the pest. The current lifting of the ban is confined to apples produced by Washington state and shipped directly to China.

### Central Eurasia

#### Boris Yeltsin Calls For Summit With Western Leaders

OW2302101694 Beijing XINHUA in English 0950  
GMT 23 Feb 94

[Text] Moscow, February 23 (XINHUA)—Russian President Boris Yeltsin today called again for a summit meeting with Western leaders on settling the crisis in the former Yugoslavia.

The Russian president proposed that leaders of the United States, Britain, France, Germany and Russia to meet in Moscow or Geneva or in any capital of the above-mentioned countries and sign a "historical treaty" to help end the bloodshed in the former Yugoslavia.

Yeltsin had mentioned the idea to U.S. President Bill Clinton a few days ago in a telephone conversation on the Bosnia-Herzegovina crisis.

#### Yeltsin Views Attempts To 'Discriminate' Against Russia

OW2402050694 Beijing XINHUA in English 0335  
GMT 24 Feb 94

[Text] Moscow, February 23 (XINHUA)—Russian President Boris Yeltsin said in a written statement today that Russia would always have a role in resolving major international issues, and that no one should ever attempt to discriminate against Russia.

The statement was published in leaflets handed out by Yeltsin's Press Secretary Vyacheslav Kostikov here today, ITAR-TASS reported.

Following Russia's diplomatic success in persuading Serb forces to pull back their big guns from around Sarajevo, NATO officials and some senior Western diplomats made various statements which seemed to express some "feeling of disappointment", the statement said.

This sentiment reflects the position that NATO desired to "restore order" itself, and did not appreciate the role played by Russia, the statement said. Some people apparently wished to stifle Russia's bid to settle the conflict through diplomatic means, it added.

As a result, some have the impression that NATO still clings to the old Cold War ideology, and that psychologically it is difficult for NATO to adapt to political

realities in Russia, which have undergone drastic changes in recent years, the statement continued.

Russia opposes ultimatums and prefers mediation, the statement said, adding that any attempt to restore the Cold War mentality, distrust, and spy wars run counter to the spirit of partnership for peace.

The Russian president said in his statement that he believes there are more reasons for peace than for war in Europe. He again called on Western leaders to sit down at the negotiating table to work out a final settlement of the Bosnian conflict.

#### Presidents Clinton, Yeltsin Agree on 22 Feb Meeting

OW2002234394 Beijing XINHUA in English 2214  
GMT 20 Feb 94

[Text] Washington, February 20 (XINHUA)—President Bill Clinton agreed today with Russian leader Boris Yeltsin that experts of the U.S., Russia, France, Britain and Germany on Bosnia will meet on Bosnia in Bonn, Germany, on Tuesday [22 February].

During a 20-minute telephone conversation, Clinton and Yeltsin exchanged their views on the current Bosnian situation and agreed that the Bosnian parties were moving in a right direction.

Clinton, who also talked to NATO Secretary-General Manfred Woerner by phone in the afternoon, will call French President Francois Mitterrand later in the day, the CABLE NEWS NETWORK (CNN) reported.

Senior administration officials said that developments in the Bosnian capital were encouraging and the likelihood of NATO air strikes appeared diminishing.

Clinton will dispatch his envoy on Bosnia Charles Redman and Assistant Secretary of European Affairs Steven Oxman to the Bonn meeting on how to urge the Bosnian warring sides to move further toward a peaceful settlement, CNN said.

According to a NATO ultimatum issued on February 9, the Bosnian Serbs have to move all their heavy weapons from Sarajevo or put them under U.N. control by midnight today, Greenwich Mean Time.

Despite the encouraging signs, U.S. officials said, there were still less than 20 Bosnian Serb gun sites not yet secured by U.N. forces.

In Moscow, Russian Defense Minister Pavel Grachev has already ruled out the possibility of NATO air strikes against the Bosnian Serbs.

Grachev, appearing in a Russian television program, said U.S. Secretary of Defense William Perry called him earlier today and made certain on his assessment.

"No air-strikes on positions of Bosnian Serbs provided for by the ultimatum of the North Atlantic Treaty Organization will be made by the NATO aviation today," Grachev said.

#### Russia Opposes Extension of Sarajevo Cease-Fire Model

*OW2302034294 Beijing XINHUA in English 0311  
GMT 23 Feb 94*

[Text] Bonn, February 22 (XINHUA)—Russia opposes the extension of the Sarajevo cease-fire model to other besieged areas in Bosnia, Russian Deputy Foreign Minister Vitaliy Churkin said here today.

Russia "firmly rules out" the possibility of extending the Sarajevo cease-fire model and rejects "any repetition of the NATO ultimatum in other parts of Bosnia," Churkin said after a meeting with diplomats from other nations on peace in Bosnia.

In a joint statement, ranking officials from the U.S., Canada, the UN and European Union member states, said the latest developments in Sarajevo represent a "major step toward an end to the whole Bosnian war."

The participants expressed grave concerns about the serious situation in other parts of Bosnia and their readiness to cooperate closely, by taking advantage of the current positive factors, to bring about a settlement to the conflict through negotiations.

The participants also said in the statement that they would seek to improve the humanitarian situation in Serb-encircled enclaves and pressure Muslims and Croats for a cease-fire in central Bosnia and the southern city of Mostar.

Meanwhile, they warned the serbs not to move to other war fronts any of the artillery they had pulled back from around Sarajevo before the deadline of the NATO ultimatum which expired peacefully on February 20.

Churkin, who is also Russia's special envoy for former Yugoslavia, said the participants discussed measures for peace that can all be achieved without the use of force.

"There was no attempt to resort to strong language at this meeting because we're acting together," he said.

The final step of the Serb withdrawal over the weekend in accordance with NATO's demands was negotiated by Russia, which has traditionally maintained close ties with the Serbs.

Russia has sent 400 troops as UN peacekeepers to Sarajevo to help monitor the cease-fire.

Therefore, Churkin said, Russia's message to Europe and the United States was, "when you get in trouble with the Serbs, before raising hell please turn to us. Maybe we can resolve it without any difficulties."

He agreed to use Russian influence with the Serbs to get Tuzla airport re-opened, a long-time demand of Western governments.

Tuzla is the eastern Bosnian base for aid agencies to send emergency relief supplies to the local people. Its airport lies within the range of Serb artillery.

The Russian envoy also urged U.S. President Bill Clinton to send American soldiers to Sarajevo. But Clinton has offered to send troops only after a peace agreement.

During the meeting, the participants agreed with Russia's proposal to use the momentum from the Sarajevo cease-fire to push for political progress in the war-torn republic as a whole.

#### XINHUA Reports Russian Economic Situation Deteriorates

*OW2402031694 Beijing XINHUA in English 0244  
GMT 24 Feb 94*

[Text] Moscow, February 23 (XINHUA)—Russia failed to brake its economic decline in 1993 and is facing a deteriorating situation this year.

According to a report on the economic development in 1993 and the outlook for 1994 issued by the Economic Ministry and the State Statistical Committee to the State Duma members, the country's gross national product (GNP) in 1993 dropped by 12 percent from 1992, while the industrial production decreased by 16 percent.

The country's industrial production has gone down sharply since the beginning of 1994, with a 23.1-percent drop in January over the same period of 1992, the report said.

Unemployment was increasing rapidly and had reached 7.7 million by the end of last year, the report added.

The country's inflation also remained high last year. All prices for consumer goods were soaring by 8.4 times while those for manufactured goods went up by nine times.

Russia also faces a grim situation in regard to its foreign economic relations and foreign exchange which the country badly needs for investment in some projects and for support for ongoing economic reform.

Meanwhile, the funds allocated by the government in the budget to the country's science and technology also decreased in 1993.

## Northeast Asia

### Vice Premier Zhu Rongji Continues Visit to Japan

#### To Remain Central Bank Governor

OW2302043994 Tokyo KYODO in English 0424 GMT  
23 Feb 94

[Text] Beijing, Feb. 23 KYODO—Vice Premier Zhu Rongji said Wednesday [23 February] he will continue his dual role as governor of the People's Bank of China and reiterated that China's economy will not become overheated.

"Since we started implementing macroeconomic adjustment and controls last year it has become apparent that the position of governor of China's central bank is not a popular post," Zhu told reporters at Beijing Airport before leaving on a nine-day visit to Japan.

"There are not many people who want the post of governor of the Central Bank of China, so I have to continue to work in this capacity," he said.

Zhu, who is seen as the main architect of China's far-reaching economic reform, has been the center of rumors that he would give up his banking post after next month's session of the National People's Congress, or China's legislature.

"As a matter of fact the work of the central bank is now the responsibility of vice governors like Zhou Zhengqing and Wu Xiangwen... My function is only one of a shield and it seems that I'll continue to play this role," he said.

Zhu also dismissed reports that recent macroeconomic controls were failing and the economy was in danger of overheating, while reiterating that this year's growth rate would be around 9 percent and could rise in the future.

"At present the economic growth rate is rather high. That is because judging from the economic realities in China, we do not want to see big ups and downs," he said.

"Therefore what we want is to keep a speed that is sustainable and healthy. If the speed is brought down quickly, artificially, that will lead to social instability," he said.

Zhu also dismissed worries over the tightening and relaxing of controls over the money supply, saying the intensification of such controls would depend on the "realities of the national economy."

#### Says Reforms Carried Out Smoothly

OW2302154094 Beijing XINHUA in English 1518  
GMT 23 Feb 94

[Text] Tokyo, February 23 (XINHUA)—Chinese Vice Premier Zhu Rongji today told a group of Japanese business leaders that China has been carrying out its

far-reaching reform program smoothly since the beginning of this year when a package of important reform bills took effect.

Zhu, who arrived in Japan this afternoon for a nine-day official visit, made the remark during a dinner given in his honor by Gaishi Hiraiwa, head of the powerful Federation of Economic Organizations (Keidanren).

"The smooth implementation of reform policies has consolidated our resolve to move further ahead with them," a senior Chinese Foreign Ministry official quoted him as saying.

The vice premier praised the Keidanren for having made a "precious contribution" to the promotion of bilateral trade and economic cooperation between China and Japan.

Hiraiwa said that he is interested in China's economy building program and told Zhu that the Keidanren set up its China committee last May in order to further speed up economic ties between the two nations, the Foreign Ministry official said.

Earlier in the day, in a meeting with Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, Zhu said that this year is crucial for China to implement its economic reforms.

He told Inaba that the current economic situation in China is good and according to the ministry official the vice premier said: "markets and prices in China are stable as are people's lives."

#### Relations Helpful to World Peace

OW2402100394 Beijing XINHUA in English 0949  
GMT 24 Feb 94

[Text] Tokyo, February 24 (XINHUA)—Chinese Vice-Premier Zhu Rongji said today relations between China and Japan have made "a positive impact" on peace and stability in the Asian-Pacific region and the world at large.

The year of 1992 marked the entry of the bilateral relationship into a new phase of development, Zhu, here on a nine-day official visit, said in a speech titled "China's Reform and Development in 1994."

In 1992, Chinese Communist Party leader Jiang Zemin visited Tokyo while Japanese Emperor Akihito traveled to Beijing in celebration of the 20th anniversary of the normalization of diplomatic ties, he explained.

"The Chinese Government and people attach great importance to their good neighborly relations with Japan," he said.

He said China shares much in common with Japan and the two countries complement each other economically.

Bilateral trade totaled 39 billion U.S. dollars last year, an increase of 54 percent over the previous year, the vice-premier noted.

### **Preferential Policies Remain Unchanged**

*OW2402100994 Beijing XINHUA in English 0947  
GMT 24 Feb 94*

[Text] Tokyo, February 24 (XINHUA)—Visiting Chinese Vice-Premier Zhu Rongji said today that China has not changed and will not change its preferential policies it has promised to all foreign firms despite recent reforms on taxation and enterprises.

"You can rest assured that China will never change its fixed policy of opening the door to the outside world," Zhu said in a speech titled "China's Reform and Development in 1994."

Zhu, who arrived here Wednesday for a nine-day visit, said China will instead open wider to the outside world and positively participate in competition and economic cooperation.

The recent reform measures taken by the government are designed to adapt China to the laws of the international economy and create a better environment for foreign investment in China, he said.

He admitted that some government institutions' failure to link up the work during the early stage of promulgations of the reform laws has caused concerns among foreign investors over the preferential policies.

### **Renews Resolve To Speed Up Reforms**

*OW2402102894 Beijing XINHUA in English 0946  
GMT 24 Feb 94*

[Text] Tokyo, February 24 (XINHUA)—China's Vice-Premier Zhu Rongji today renewed the government's resolve to push forward the reform drive this year in a bid to lay a solid groundwork for a socialist market economy.

In a speech to a gathering of 1,000 leading Japanese businessmen, Zhu warned that China's economic development would lag much behind and the nation would miss a chance to modernize itself if the reform efforts failed.

China made "brilliant achievements" in its economic reform and modernization program during 1993, which saw a growth of 13 percent in its gross national product (GNP) after a continuously speedy rise for more than 10 years, he said.

The GNP in 1993 tripled that in 1978 when China began to pursue its policy of opening up, Zhu said in his speech entitled "China's Reform and Development in 1994."

During the last 15 years, China has achieved great progress in carrying out reform and developing the economy.

"We have successfully avoided radical ups and downs and maintained social and political stability while great changes have taken place in the country's economic system and social structure," Zhu said.

He dispelled concerns that China's economy would overheat and the current development speed would not last long.

While admitting some overheating symptoms caused by derailed stock deals, real estate speculation and an overabundance of investment projects during the first half of last year, Zhu stressed that the Chinese Government had taken effective macro-economic control measures since last June to maintain a sustained, speedy and healthy development of the national economy.

"The trend of a possible economic overheating has been now brought under control, the monetary supply order and the circulation order have been improved, and some exciting achievements have been achieved," he said.

He dismissed overseas reports that China's credit policy had failed and explained that the government's decision to tighten credit made last year was designed to orient investment to the needs of key state construction projects.

"In short, we took macro-economic control measures in accordance with the reality of the Chinese economy. This is in keeping with the laws of market economy as well as the actual situation in China," he said.

One of the successes in macro management, he said, was a rise in the country's foreign currency reserves last year despite the registration of a 10-billion U.S. dollar trade deficit.

Zhu told the gathering that this year was a crucial stage for China in transforming the economic system while keeping the current development momentum.

To this end, the Chinese Government launched complex reforms at the beginning of this year on finance, taxation, monetary supply, exchange rates and state enterprises and has been implementing them smoothly since then.

Zhu, however, pointed to some problems that could undermine the reform efforts if not solved.

He cited last November's steep rise in grain prices, and panic buying of electronic appliances triggered by misunderstanding of the reform bills and fears of a possible rekindling of the high inflation that prevailed in 1988 and 1989.

"The price turbulence signaled clearly that we still need to keep vigilance on the economic situation, for reform embraces risks," he said.

Dismissing arguments that it is immature to proceed with all-round reforms at this moment, Zhu said, "I believe it is the very right time to completely push forward the drive."

The vice-premier explained that this was because the government's reform policy was deeply rooted within the hearts of the Chinese people.

Secondly, he said, the government had accumulated experiences on reform over the past 15 years and had already mapped out a blueprint and an action program on reform for the next few years in line with a consensus arrived at among Chinese leaders.

Thirdly, the rapid economic development and the resulting improvements in the living standard had enabled the Chinese people to bear, both economically and psychologically, possible pain brought about by reform, he said.

"If we fail to overcome difficulties in the economic restructuring in the next few years and well solve all kinds of problems that will crop up on way of development, we might delay the proceeding of the modernization of our nation and miss a historical opportunity of enlivening the nation and making the state powerful," he said.

He said he was confident that China would manage to tide over the hardship in the years to come. He predicted that China would establish a socialist market economy by the end of 1996.

The Chinese reform, which he called "a great, new century-oriented reform project," would promote the economic prosperity and social stability not only in China, but also in East Asia and the Asia-Pacific region, he said.

The prospect for China's economic growth would remain bright because the Chinese Government would never weaken its determination to build up the nation and improve the living standard of the people, Zhu said in conclusion.

#### Statistics Show Japan as Largest Trading Partner

HK2302054094 Beijing ZHONGGUO XINWEN SHE  
in English 1401 GMT 22 Feb 94

[Text] Beijing, February 22 (CNS)—With the continuously deepening of political, economic and cultural exchanges between China and Japan, ~~recent~~ trade between the two countries has been developing in an unprecedented way. According to statistics from customs, last year saw a Sino-Japanese trade value of U.S.\$39 billion, 53.9 percent up over the year before, enabling the country to surpass Hong Kong and become the biggest trade partner of China.

According to statistics, China's exports to Japan last year was valued at U.S.\$15.78 billion, 35.1 percent up with the main export commodities being garments, footwear,

textile products, toys, video recorders, Hi Fi sets and plastic products. China's imports from Japan were valued at U.S.\$23.25 billion, 70 percent up, contributing to an unfavorable balance of U.S.\$7.44 billion. The imports were mainly steel products, cars, machinery equipment of various kinds, processing machine tools, integrated circuits, micro-electrical parts, telephones and telegraphic equipment.

From 1983 to 1993, Sino-Japanese trade grew by 14.6 percent on average annually. Trade between the two countries is mainly focused on general trade with the export value earned from general trade last year reaching U.S.\$9 billion and the import value U.S.\$8.24 billion while the processing trade between the two sides has been developing very rapidly with the export value from this sector amounting to U.S.\$6.71 billion and the import value U.S.\$8.22 billion.

#### IAEA Urges DPRK To Issue Visas to Nuclear Inspectors

OW2402014694 Beijing XINHUA in English 0126  
GMT 24 Feb 94

[Text] Vienna, February 23 (XINHUA)—The International Atomic Energy Agency (IAEA) today urged the Democratic People's Republic of Korea (DPRK) to issue visas allowing inspectors to check its nuclear facilities.

On the last day of a three-day regular session of the Vienna-based UN organization, Ronald Walker, the chairman of the IAEA's board of governors, said that the IAEA also welcomes DPRK's February 15 agreement to let IAEA inspect seven of its nine nuclear facilities.

Meanwhile, a DPRK spokesman told the press here that DPRK's agreement on nuclear inspections has pre-conditions, and that his country definitely rejects inspection of the other two nuclear facilities located in Yongbyon.

The DPRK has delayed the issuing of visas to IAEA inspectors because of what it called position shifting by the United States.

The DPRK and the United States have been holding talks on DPRK's nuclear issues in New York.

#### Sino-DPRK Agreements Anniversary Marked in Beijing

OW2202133294 Beijing XINHUA in English 1226  
GMT 22 Feb 94

[Text] Beijing, February 22 (XINHUA)—The Embassy of the Democratic People's Republic of Korea (DPRK) in Beijing hosted a banquet here this evening to mark the 35th anniversary of the signing of the agreements of cultural and civil aviation cooperation between DPRK and China.

Among those attending the banquet were charge d'affaires ad interim of the DPRK Embassy Pae Yong-chae and Chinese Vice-Minister of Culture Liu Deyou.

### Southeast Asia & Pacific

**Jiang Zemin Meets Vietnam's Nong Duc Manh**  
*OW2302095794 Beijing XINHUA Domestic Service in Chinese 0653 GMT 23 Feb 94*

[Reporter Zhang Yijun (1728 4135 0193)]

[Text] Beijing, 23 Feb (XINHUA)—While meeting with Nong Duc Manh, chairman of the National Assembly of Vietnam, this morning at Zhongnanhai, President Jiang Zemin expressed the belief that the China-Vietnam good-neighboringly, friendly, and mutually cooperative relationship will surely keep on developing on the basis of the five principles of peaceful co-existence.

The Nong Duc Manh-led Vietnamese National Assembly delegation is the first delegation of Vietnam's National Assembly to visit China since the normalization of diplomatic relations between China and Vietnam. Jiang Zemin welcomed the visit of Nong Duc Manh and his party.

Jiang Zemin said that the Sino-Vietnamese relationship has seen great development in recent years and that there have been frequent high-level exchanges between the two countries. During the recent visit of Vietnamese President Le Duc Anh to China, both sides exchanged views on bilateral relations and on international and regional issues and reached common understanding over many major issues.

Jiang Zemin added that further consolidation and enhancement of the good-neighboringly, friendly, and mutually cooperative relationship is not only in accord with the fundamental interests of the two countries and peoples, but also will be conducive to peace, stability, and development in the region.

During the meeting, Nong Duc Manh briefed Jiang Zemin on Vietnam's socio-economic development. He said as Vietnam is implementing the policy of reform and opening up, Vietnam can borrow from China's many successful experiences in the areas of reform and opening up.

Jiang Zemin also gave a short briefing to the Vietnamese guests on China's reform, opening up, and on building a socialist market economy.

During the meeting, Nong Duc Manh conveyed greetings to President Jiang Zemin from Do Muoi, general secretary of the Communist Party of Vietnam Central Committee; President Le Duc Anh; and Premier Vo Van Kiet. Jiang Zemin asked Nong Duc Manh to convey his greetings to General Secretary Do Muoi, President Le Duc Anh, and Premier Vo Van Kiet.

Wang Hanbin, vice chairman of the Standing Committee of the National People's Congress, was present at the meeting.

### Sino-Australian Building Material Firm Opens in Tianjin

*OW2002030094 Beijing XINHUA in English 0152 GMT 20 Feb 94*

[Text] Tianjin, February 20 (XINHUA)—The CSR Tianjin Ready Mix Ltd, jointly funded by CSR, one of Australia's largest transnational companies of building materials and products, and the Building Materials Supply Corporation of Tianjin, was officially founded here today.

The new company will earmark 29.8 million U.S. dollars to establish four production lines of concrete in the four suburban branches of the Tianjin Building Material Supplying Corporation to meet the demand of the city's basic urban construction.

The four lines will be put into operation within the year and its annual concrete production will top one million cubic meters, according to reliable sources.

Having advanced transport equipment, the four enterprises are expected to have the largest production capacity and have the most advanced design among concrete-production enterprises in Tianjin.

According to officials, demand for building materials has redoubled since the city started its renovation and rebuilding project of old and one-story housing.

With total assets worth about 4.3 billion U.S. dollars, CSR Company is among the world's largest transnational building materials companies and ranks third in scale in all the financial groups of Australia.

Its president showed satisfaction with Tianjin's investment environment and much confidence in the future of the joint venture.

### Near East & South Asia

**Zhu Rongji Reportedly To Visit Israel 'Before Fall'**

*HK2302143494 Hong Kong WEN WEI PO in Chinese 23 Feb 94 p A2*

[By staff reporter Wang Sung (3769 2646) in Jerusalem: "Zhu Rongji Is To Visit Israel Before Fall This Year"]

[Text] Jerusalem, 22 Feb (WEN WEI PO)—(Ayaz) [a ya zi 7093 0068 5417], director of the Second Asia Department of the Israeli Foreign Ministry, revealed to our staff reporter, who is visiting Israel by invitation, that Chinese Vice Premier Zhu Rongji will visit Israel before fall this year. Besides, after Israeli Foreign Minister Peres

visits China next week, seven Israeli ministers (including the minister of finance and minister of trade) will also visit China.

### **Qian Qichen Continues Visit to Pakistan**

#### **Meets Pakistani President**

*OW2302121694 Beijing XINHUA in English 1159  
GMT 23 Feb 94*

[Text] Islamabad, February 23 (XINHUA)—Visiting Chinese Vice-Premier and Foreign Minister Qian Qichen called on Pakistan President Farooq Leghari at the presidential palace here today.

The two sides held talks in a cordial and friendly atmosphere.

Leghari said the exchange of visits between the two countries at high level will go a long way in enhancing the development of bilateral relations.

He said Pakistani people have a deep feeling for the Chinese people and they are very grateful to the assistance and support provided by China.

He believed that the visit by Qian will further improve the friendly relations and cooperation between the two countries.

He hoped Pakistan and China will increase consultation on regional and international issues of mutual concern.

During the meeting, Qian said although the social systems, historical and cultural background of the two countries are different, mutual understanding and mutual trust exist between the two peoples.

"Sino-Pak relations is a model of state to state relations, and has a very broad prospect," Qian said.

He told Leghari that his meeting with Foreign Minister Sardar Asif Ahmad Ali and other Pakistani leaders further enhance the understanding and cooperations between the two countries.

Qian also extended the invitation by Chinese President Jiang Zemin to Leghari to visit China.

Leghari said he is expected to visit China soon.

Qian arrived in Islamabad on February 21 on a four day official goodwill visit to Pakistan.

#### **Meets Pakistani Parliamentary Leaders**

*OW2402111194 Beijing XINHUA Domestic Service in Chinese 1317 GMT 22 Feb 94*

[By reporters Hu Xiaoming (5170 0879 2494) and Wang Hongyu (3076 4767 1342)]

[Text] Islamabad, Feb 22 (XINHUA)—Visiting Chinese Vice-Premier and Foreign Minister, Qian Qichen, called on Pakistan Senate Chairman Wasim Sajjad and

National Assembly Speaker Yusuf Gilani here today. Qian Qichen exchanged views with the two Pakistan parliamentary leaders on the development of bilateral ties.

The two parliamentary leaders said: The broad contact between the Pakistan Senate and National Assembly and the Chinese People's Political Consultative Conference and National People's Congress reflects Pakistan-Chinese friendship. Pakistan-Chinese friendship is time-tested and China is a reliable friend of Pakistan. The Pakistan people appreciate China's aid to their country and hope that, at various levels, the two countries increase contact to promote mutually beneficial cooperation in every field. The two parliamentary leaders also congratulated China on its rapid economic development in recent years.

Qian Qichen said: No matter how the global situation changes, Sino-Pakistan friendship will remain the same. Sino-Pakistan friendship is characterized by mutual trust, equality, mutual benefit, and noninterference in each other's internal affairs. Our friendly bilateral relations have a strong foundation on the basis of the five principles of peaceful coexistence.

He said: "Pakistan is an important country in South Asia. We appreciate Pakistan's efforts to maintain peace and stability in the region. We are pleased to see good cooperation between the two countries, not only in bilateral relations but also in international affairs."

Qian Qichen arrived here last night on a four-day official visit to Pakistan.

#### **Qian Qichen Arrives in Karachi**

*OW2302141694 Beijing XINHUA in English 1405  
GMT 23 Feb 94*

[Text] Karachi, February 23 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen arrived in Karachi, capital of Pakistan's Sind Province, from the federal capital of Islamabad by special flight today.

He was received at the airport by Sindh Chief Minister Abdullah Shah and other senior provincial government officials, and Chinese Consul General in Karachi Zhang Zhenrui.

Qian went straight to the bazar of the Quaid-e-Azam and laid a wreath at the mausoleum of the founding father of Pakistan.

He will call on Chief Minister Abdullah Shah this evening.

Qian Qichen arrived in Pakistan on Monday [21 February] on a four-day official good-will visit to the country. He is expected to leave for Dhaka tomorrow.

**Urdu Beam Reports Qian Qichen's Pakistan Activities**

*BK2402044694 Beijing China Radio International in Urdu 1600 GMT 24 Feb 94*

[Text] Our correspondent in Islamabad (Li Ling) has reported that Chinese Vice Prime Minister and Foreign Minister Qian Qichen and his wife arrived in Islamabad last evening on a four-day official goodwill visit to Pakistan at the invitation of Pakistan Foreign Minister Sardar Asif Ali. In his address at Islamabad Airport, Foreign Minister Qian Qichen said Sino-Pakistan friendly relations are not only in the interest of the people of the two countries, but also will prove to be useful for peace and stability in this region and Asia as a whole.

Foreign Minister Asif Ali welcomed his Chinese counterpart at the airport. Replying to questions of newsmen, Foreign Minister Asif Ali remarked that Pakistan enjoys traditional and friendly relations with China and the exchange of visits by the leaders of the two countries contributes toward maintaining and promoting bilateral friendly relations.

Foreign Minister Qian Qichen left Beijing yesterday afternoon on official and nonofficial visits to five countries—Pakistan, Bangladesh, Sri Lanka, Maldives, and Iran.

According to another report, Foreign Minister Qian Qichen held talks with his Pakistani counterpart at the Pakistan Foreign Office in a friendly and cordial atmosphere. Both foreign ministers expressed satisfaction at the development of friendly relations between the two countries and hoped that these relations will enter into a new era. On this occasion, Foreign Minister Asif Ali briefed the Chinese foreign minister on the situation in Kashmir and Pakistan's efforts to bring about a settlement of the issue.

Foreign Minister Qian Qichen said that as a neighbor of Pakistan, China pays attention to the Kashmir issue. He appreciated Pakistan's offer to continue foreign secretary level talks with India on this issue after fasting month for Muslims. He hoped that Pakistan and India will make progress in resolving the Kashmir issue through dialogue.

Referring to Afghanistan, Foreign Minister Asif Ali said Pakistan is working for a settlement of this issue. Foreign Minister Qian Qichen appreciated Pakistani efforts for settling internal differences in Afghanistan to immediately restore peace and stability there.

**Qian Qichen Leaves Pakistan for Bangladesh**

*OW2402043794 Beijing XINHUA in English 0416 GMT 24 Feb 94*

[Text] Karachi, February 24 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen left here

today for Dhaka to continue his five Asian nation tour after a four-day official good-will visit to Pakistan.

He was seen off at the airport by Abdullah Shah, chief minister of Pakistan's Sindh Province, Chinese Ambassador to Pakistan Zhou Gang and Consul General in Karachi Zhang Zhenrui.

On Wednesday, Qian Qichen, who flew into the southern port city of Karachi from Islamabad, called on Sindh Chief Minister Abdullah Shah and laid a wreath at the mausoleum of Mohammad Ali Jinnah, founding father of Pakistan.

During his stay in Pakistan, Qian held talks with Pakistan President Farooq Leghari and Foreign Minister Sardar Asif Ahmad Ali on bilateral, regional and international issues of common concern.

Qian's fortnight itinerary, starting from Monday, includes Bangladesh, Sri Lanka, Maldives and Iran.

**Qian Qichen Stops Over in Nepal En Route to Bangladesh**

*OW2402093794 Beijing XINHUA in English 0915 GMT 24 Feb 94*

[Text] Kathmandu, February 24 (XINHUA)—Chinese Vice Premier and Foreign Minister Qian Qichen made a brief stopover here at noon today on his way to Bangladesh to continue his good-will visit for five Asian countries.

During an-hour stay after his visit to Pakistan, the Chinese foreign minister had a friendly and cordial conversation with Nepalese Tourism and Civil Aviation Minister Ram Hari Joshi who came to meet him at the Tribhuvan International Airport.

In answer to a query by Nepali TV on the relations between the two countries, Qian said that "China and Nepal are close neighbors that in the long history had maintained good relations, and the same in the present days."

"As what we always said, our friendship, like the Himalayas, will exist for ever," he added.

On behalf of King Birendra, Private Secretary of the King Narendra Raj Pandey made a phone call to Chinese Ambassador Shao Jiongchu, who was also present on the occasion, conveying the greetings of the king to the Chinese vice premier and foreign minister.

Qian and his delegation left for Bangladesh after the stopover.

**Foreign Minister Qian Qichen Arrives in Bangladesh**

*OW2402104194 Beijing XINHUA in English 1023  
GMT 24 Feb 94*

[Text] Dhaka, February 24 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen arrived here this afternoon on a four-day official good-will visit to Bangladesh.

Qian came here after an official visit to Pakistan. Bangladesh is the second leg of his five-state visit which including Sri Lanka, Maldives and Iran.

He was greeted by Bangladesh Foreign Minister A.S.M. Mustafizur Rahman and Chinese Ambassador to Bangladesh Zhang Xujiang at Zia International Airport.

In a written statement issued at the airport, Qian said Bangladesh and China share a profound traditional friendship.

He noted that since the establishment of diplomatic ties, the friendly relations and cooperation between the two countries in the political, economic and cultural fields have developed steadily under the guidance of the five principles of peaceful co-existence thanks to the joint efforts made by both governments and peoples.

It is the set policy of the Chinese Government to strengthen the existing friendly ties with Bangladesh, the Chinese foreign minister said.

"I am looking forward to exchanging views with leaders of Bangladesh on bilateral relations and international issues of mutual interest so as to increase mutual understanding, deepen friendship, expand cooperation and promote the further consolidation and development of the friendly relations existing between Bangladesh and China", he added.

**Political & Social****Li Peng Discusses Work Report With Educators**  
*OW2402150294 Beijing XINHUA Domestic Service in Chinese 1141 GMT 24 Feb 94*

[By Central People's Broadcasting Station reporter Liu Zhenmin (0491 2182 2404) and XINHUA reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 24 Feb (XINHUA)—Premier Li Peng recently invited scientists, educators, and writers and artists to three forums in Zhongnanhai to solicit their views on revising the government work report (for the solicitation of opinions) to be delivered to the Second Session of the Eighth National People's Congress for deliberation.

Many of the scientists, educators, and writers were invited to air views on the revision of the government work report in Zhongnanhai for the first time. The forums were permeated with a cheerful and animated atmosphere. Among those who spoke were He Zuoxiu, member of the Chinese Academy of Sciences [CAS]; Yu Changyou, director of the Ministry of Metallurgical Industry [MMI] Automation Research Institute; Cai Rang, deputy director of the MMI Iron and Steel Academy; Wang Sihong, head of the Beijing High and New Technology Development Experimental Zone; Duan Yongji, president of the Stone Group Company; Lu Liangshu, chairman of the Chinese Academy of Agricultural Sciences Academic Committee; Sun Shu, vice chairman of the CAS Division of Earth Science; Chen Zhangliang, director of Beijing University Life Science Institute; Beijing University president Wu Shuqing; Fang Huijian, party secretary of Qinghua University; Huang Tiecheng, vice president of Beijing Agriculture University; Nankai University president Mu Guoguang; Xie Xingui, president of the Central Radio and TV University; Tian Yutan, principal of the Beijing No. 1 Experimental Primary School; Shen Decai, principal of the Tianjin No. 1 Middle School; Ou Xueguang, principal of the Beijing Changping Agricultural Vocational School; Qin Shaode, party secretary of the Shanghai Municipal Education and Health Commission; performing artists Ying Ruocheng, Liu Changyu, Bai Shuxiang, and Yu Lan; writer Malaxinfu; writer Pan Xia and cultural relic expert Wang Shixiang of the China TV Drama Production Center; director Yang Weiguang of the Central Television Station; Lin Erwei, general manager and concurrently editor-in-chief of the Commercial Press; and director Ren Jiyu of the Beijing Library.

They agreed: The government work report (for the solicitation of opinions) has given a factual summation of China's remarkable achievements in science and technology, education, and culture in 1993, which once again bear testimony to the correct principles behind various structural reforms in the country. After reading the report, they have increased their confidence in this year's work.

Discussing the section dealing with science and technology, scientists suggested that the policy of "holding fast to one end and leaving the whole field open" should include some areas of applied sciences that cannot be immediately put to production use. They also suggested that leading scientific research institutes and academies should play a significant role in national economic construction by gearing their work to meeting the needs of the main front of economic development; that more effective measures be taken to promote the development of high and new technology; and that the State Council promptly formulate detailed rules for the implementation of the law governing scientific and technological progress. They also made suggestions on increasing government appropriations for science and technology, on combining science and technology with economic construction, on cultivating new industries, on building large modern enterprises, on adopting policies regarding high and new technology development zones, on developing agricultural science and technology, and on training young scientist and researchers.

While fully affirming the continuous advance of educational undertakings in the course of reform in 1993, educators said they were greatly inspired by the report's emphasis on "giving strategic priority to the development of education." Meanwhile, in view of the lack of urgency shown in developing education in some localities and departments, some educators proposed that the government attach importance to improving radio and television education, vocational education, normal education, and compulsory education; and should strengthen the intensity of educational reform; they added that efforts must be made to ensure that cultural education helps the healthy development of youngsters. Other educators suggested increasing government appropriations for education and stabilizing the contingent of teachers.

In their speeches, celebrities from literary and artistic circles said: The government work report's discussion on the need to bring about a "flourishing of socialist culture" means encouraging all writers and artists. They shall always adhere to the principles of serving the people and socialism, and of letting a hundred flowers bloom and a hundred schools of thought contend.

Some comrades suggested reform of the system under which literature and art are produced was needed; that the state should support and finance the creation of literary and artistic masterpieces; and that, to make progress, the reading public and audiences needed more excellent works containing positive messages, though in keeping with the spirit of the times, if the nation wanted to encourage elegant art and develop its cultural tradition.

A number of comrades suggested greater cultural opening up through the improvement of exchanges with foreign countries and by intensifying research in basic culture.

Li Peng frankly exchanged views with everyone present. He said: Science and technology play an important role in enhancing comprehensive national power. We must depend on joint efforts by the government, enterprises, and all trades and professions in society to increase input in science and technology. Scientific research institutions must further strengthen their own vitality through deepening reform and integrate science and technology thoroughly with economic construction through competition. The future of China's science and technology still relies on its youth. We must attach importance to young scientists and make the most of the strong points of China's scientific and technological personnel.

Li Peng affirmed the practice of showing a hundred films on patriotism in middle and primary schools last year. He also said: Television education is mobile and flexible. It can be conducted among a vast number of students. We must increase television education in the future.

Li Peng said: We live in a great era. We face very good opportunities for development. It should be a splendid era in which culture and art will enjoy a high degree of development. The development of culture and art is closely bound up with this era. I hope writers and artists can produce works worthy of a great era.

Li Peng stressed the importance of the role of public opinion. He said: We must guide the masses of the people to encourage the spirit of patriotism and collectivism and to advocate our traditional virtues so as to inspire enthusiasm among the people for progress. Meanwhile, we must also expose abominable phenomena in society. While attaching importance to the social benefit of spiritual products, we must take into consideration their economic results. We must pay attention to providing guidance for various cultural phenomena in a bid to improve the cultural quality of our nation.

Li Peng thanked all present for having put forward very good opinions. He instructed the drafting group to properly sum up their speeches and to incorporate them in the government work report so as to pool the wisdom of the masses, better represent the will of the people, and do a further good job in conducting government work.

Among those who attended the forum at the invitation of Li Peng were Wang Dazhong, president of the Qinghua University; Wang Chengwei, permanent member of the Science and Technology Committee of the Commission of Science, Technology, and Industry for National Defense; Zhang Guangdou, professor of Qinghua University; Huang Da, president of the People's University of China; Xu Jialu, vice president of Beijing Normal University; Yang Guozhen, director of the Institute of Physics at the Chinese Academy of Sciences; Liang Shoupan, senior technical adviser of the China Aerospace Industry Corporation; Gu Songfen, deputy director of the Science and Technology Committee of the Aviation Industries of China; Shi Yuanchun, president of Beijing Agricultural University; Li Guojie, director of

the National Research Center for Intelligent Computers; Zhou Xiuji, professor emeritus of the Chinese Academy of Meteorology; Qiang Boqin, researcher at the Chinese Academy of Medical Sciences; Chen Keji, professor of the Academy of Traditional Chinese Medicine; Li Guangquan, president of Tianjin University; Shen Guofang, professor of Beijing Forestry University; Shen Shituan, president of the Beijing University of Aeronautics and Astronautics; Feng Changgen, professor of the Beijing University of Science and Engineering; Li Gaungmin, president of the Beijing Applied Art School; Wang Fulin, director of the China TV Drama Production Center; Wang Yi, special adviser of the Press and Publications Administration; Zhang Huiqin, editor of the People's Publishing House; Gao Zhiping, director of the Oriental Song and Dance Ensemble; Yang Lizhou, deputy director of the China Art Gallery; Gu Jianfeng, composer; Gu Xiayang, deputy director of the Central Philharmonic Society; Shi Weijian, president of the Chinese Youth Art Theater; and Xu Xiaozhong, president of the Central Opera School.

State Council Vice Premier Li Lanqing; State Councillors Li Tieying and Song Jian; and State Councillor and concurrently State Council Secretary General Luo Gan also separately attended the forums.

#### Li Ruihuan Inspects Zhuhai's Development

HK2302151894 Hong Kong WEN WEI PO in Chinese  
17 Feb 94 p A3

[Dispatch by staff reporter Liu Chun (0491 6511): "Li Ruihuan Inspects Zhuhai's Development, Praises Its Super-Normal Plan, Grand Structure"]

[Text] Zhuhai, 16 Feb (WEN WEI PO)—During the Spring Festival period, Li Ruihuan, member of the CPC Central Committee Politburo Standing Committee and chairman of the CPPCC National Committee, went to Zhuhai on an inspection tour. He said that Zhuhai has followed a course featuring a high starting point and a high level and has taken into account both long-term and immediate developments in city planning and economic construction, adding that Zhuhai has rosy prospects.

Accompanied by Xie Fei, CPC Central Committee Politburo member and Guangdong CPC Committee secretary; Liang Guangda, Guangdong Provincial CPC Committee Standing Committee member, Zhuhai City CPC Committee secretary, and Zhuhai mayor; and others, Chairman Li visited the terminal which can handle 20,000 tonnes of cargo at Zhuhai port in western Zhuhai; a coal terminal under construction, which can handle 100,000 tonnes of coal; Zhuhai airport; Doumen County; and the construction site of the Qiao bridge, which is the advance project of the Lingdingyang bridge. He also toured the city.

While at Zhuhai port, after listening to a report on development of the port, Chairman Li inquired in detail about the plan and construction of support facilities for the port. Standing in Gaolan Island and looking at the

natural haven hemmed in by mountains on three sides, he said happily: You built a port and turned a deserted beach into a treasured place, killing two birds with one stone.

At the Zhuhai airport, after listening to an account of the development of the airport, Chairman Li was concerned about the support facilities at the airport and asked whether aviation and ground management could meet the demands of emergency take off and landing. Xie Fei added: The construction of the Zhuhai airport provided new experiences in many respects. Guangzhou will follow the example of Zhuhai if it decides to build more airports.

At the construction site of the Qiao bridge, Mayor Liang Guangda briefed Chairman Li on the planning and preparations for the building of the bridge spanning the sea and on the social benefits and experiences which will be created from real estate development following the completion of the bridge.

While in Zhuhai, Chairman Li also heard reports on work done by the city party committee and government. He fully affirmed the unusual courage displayed by Zhuhai in carrying out the reform and opening policy and in making experiments as well as the achievements made by Zhuhai in city planning, economic development, environmental protection, and birth control. Based on thorough investigations, the chairman said: Zhuhai has acquitted itself splendidly and has a broad vision in planning. Zhuhai not only took into account its own development, but also put itself in economic relationships with South China and even Southeast Asia, so it could forge far-sighted plans for its city construction. It really deserves praise for its excellent performance. Major projects in coordination with the city construction, such as Zhuhai port, Zhuhai airport, and the Zhuhai bridge have got under way in succession and the patterns of a major port and large-scale industry have been outlined. In a few years' time, Zhuhai's development will make it difficult for other cities in the country to bear comparison. Chairman Li was very appreciative of the way land had been developed, used, and managed in Zhuhai. He said: Since the reform and open policy were introduced, many cities in the country have been exploring means of land development, but Zhuhai's experiments have proven most successful. Zhuhai displayed boldness in making huge investments in infrastructural development with the result that land values have been raised. The government has made money through land development and has in turn used the money to expand construction, thus enabling economic growth to follow a steady upward course. In addition, the government formulated a complete set of laws and regulations for management. Zhuhai's experience is worth learning from. Chairman Li fully affirmed a course featuring a high starting point and a high level followed by Zhuhai in economic development. He said: Zhuhai's policy-makers had their eyes on the next 10 or 20 years rather than on setting up an additional one or two enterprises in planning economic development, so

their major construction projects had high starting points and were of a fundamental nature. This allowed Zhuhai to catch its rivals at an advantage in future competition. He also maintained: Economic development should be promoted in line with local conditions. Given necessary conditions, some places should press ahead faster. We must not impose rigid uniformity.

#### **Ren Jianxin Views Procuratorial Work, Stability**

*OW2002155294 Beijing QIUSHI in Chinese No 3,  
1 Feb 94 pp 2-5*

[Article by Ren Jianxin: "Strengthen Procuratorial and Judicial Work To Guarantee Reform, Opening Up, and Stability"]

[Text] In the past year, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidelines of the 14th National Party Congress, the people of all nationalities in China have seized opportunities and deepened reform. As a result, the national economy has been growing vigorously, social and political stability has continued, and major progress has been made in the modernization drive. Under the leadership of party committees at all levels, procuratorial and judicial departments across the country have safeguarded the stable social environment required for China's reform and development by further improving their work, effectively thwarting the sabotage of hostile forces at home and abroad, dealing appropriately with some emergencies that could have a great impact on their work, ceaselessly carrying out various forms of struggle against crime, concentrating on investigating and handling major economic crimes such as embezzlement and bribery, seriously implementing measures for consolidating public security and order, and improving law enforcement and legal services in the economic sphere.

This year is a very important and crucial year for deepening the reform. Many major measures will be comprehensively taken to establish a socialist market economic structure on the basis of the blueprint drawn up by the Third Plenary Session of the 14th CPC Central Committee, and our reform will enter a critical stage in which wholesale advances and breakthroughs in major areas will be sought simultaneously. Some new contradictions and problems will emerge along with the deepening of reform and the adjustment of relations of interest. We must remain sober, analyze and judge the situation correctly, be prepared for danger in times of peace, provide for a rainy day, and do a better job of safeguarding social and political stability.

The main tasks for the procuratorial and judicial front in 1994 are implementing the guidelines of the Third Plenary Session of the 14th CPC Central Committee, adhering to the strategic principle of "grasping two links at the same time and paying attention to both," meeting the requirements for establishing a socialist market economic structure, further strengthening and reforming

procuratorial and judicial work, enhancing the functions of the people's democratic dictatorship, safeguarding national security, cracking down on criminal activities, improving the handling of major cases in the struggle against corruption, vigorously and comprehensively improving public security and order, and providing better legal protection and legal services for the socialist market economy.

**1. Correctly Understand the Dialectical Relationship Between Reform, Opening Up, and Economic Development on the One Hand and Social Stability on the Other—That Is, Reform and Opening Up, and Economic Development and Social Stability Promote One Another and Form a Single Entity—and Doing Everything Possible To Maintain Political Stability**

Deepening the reform, opening wider to the outside world, and accelerating development constitute a solid foundation for consolidating political stability and unity, and the prerequisite for reform and development is to maintain political stability. Comrade Deng Xiaoping has said: "Reform requires a stable political environment. Without this, nothing can succeed." Only by upholding the four cardinal principles, grasping the two links simultaneously, and preserving social and political stability can we effectively guarantee the smooth progress of reform, opening up, and economic construction. In the current situation in which reform and opening to the outside world are being accelerated, there has been a noticeable increase in the number of factors leading to instability for various reasons. Therefore, safeguarding stability has become even more important and urgent. The more we accelerate the pace of establishing the socialist market economy, the more we should strengthen the state apparatus of the people's democratic dictatorship and the more we should pay attention to safeguarding social and political stability.

Safeguarding political stability is the important responsibility of party committees, governments, and departments at all levels and of party and government leaders of various units. It is a task of all comrades in the party and of the people of all nationalities across the country, and is also the bounden duty of the procuratorial and judicial departments. Party and government leaders at all levels must adhere to the strategic principle of "grasping the two links at the same time and paying attention to both." While grasping reform and development, they should pay attention to the building of spiritual civilization, strengthen party building, consolidate work on the ideological and cultural front, and carry out effectively their responsibility for safeguarding political stability. They should study, plan, guide, and check, in a timely manner, the work of safeguarding stability, promptly eliminate factors leading to instability, properly handle emergencies, and pay attention to solving the outstanding problems of the masses to ensure social stability. The cadres and workers of various departments and units should also enhance their sense of political responsibility in safeguarding stability, bear in mind that safeguarding stability is everyone's responsibility, plug

loopholes in work, improve systems of work, and consciously make contributions to eliminating factors leading to instability. **2. Correctly and Properly Handle the Contradictions Among the People Arising From the New Situation**

A host of contradictions among the people are bound to surface in the course of deepening reform, opening wider to the outside world, and developing a socialist market economy. Party and government leaders at all levels must seriously study the characteristics, forms of expression, aggravating factors, preventive measures, and methods of dealing with the contradictions among the people that emerge under the new situation; take practical steps to change the work style, overcome bureaucracy and formalism; go deep into the midst of the people and help solve their actual difficulties; attach importance to properly attending to their grievances aired through personal visits or letters; make efforts to go to the masses to resolve their contradictions, and take active steps to prevent the contradictions from becoming more acute. At the same time, we must also strive to introduce and perfect a complete set of key measures for implementing the reforms, intensify publicity through the media before introducing the various measures of reform, enhance the tolerance level of the masses, and accelerate the establishment of various mechanisms designed to ensure social security. Party committees and governments in various localities must shoulder leadership responsibility, improve their ability to distinguish and handle the two types of contradictions amid complex situations, and promptly nip in the bud problems at the grass-roots level.

**3. Strengthen and Improve Party and State Leadership and Management Over Religious Work Among Nationalities**

Party committees and governments at all levels, particularly those in minority nationality areas, must consistently hold high the banner of promoting economic development and national unity, earnestly implement the "Law Governing Autonomous Regions of Minority Nationalities," comprehensively carry out the various policies and measures formulated by the party and the state for minority nationality regions, and strive to foster and consolidate national unity while accelerating economic development as well as ideological and cultural construction. We must step up education to publicize the Marxist concepts on nationalities and the legal system so that the minority peoples will learn how to safeguard their own legitimate rights and interests through legal proceedings, thereby gradually bringing the readjustment of relations between various nationalities into line with the legal system. We must take a clear-cut stand, justly and forcefully oppose ethnic splitism, and punish according to law those involved in illegal and criminal activities in creating separatism among nationalities. We must strengthen management over religious affairs according to the law, comprehensively and correctly implement the policy on religion set out by the party and the state, protect the normal religious activates and the

legitimate rights and interests of religious circles in accordance with the law, and firmly punish those who take advantage of religion to interfere in political affairs or violate the law and commit crimes. At the same time, we must comprehensively promote among those who follow religions the Marxist concepts on religion, patriotism, and the legal system and rally the broad masses of followers under the banner of economic development and bringing prosperity to the motherland, guiding them in carrying out religious activities in accordance with the Constitution and the law.

**4. Actively Participating in the Struggle Against Corruption and Concentrating on Investigating and Handling Major Cases of Economic Crime Such As Embezzlement and Bribery**

Strengthening clean government and combating corruption constitute the necessary condition and important guarantee for establishing the socialist market economic structure and are keys to safeguarding stability. Procuratorial and judicial departments at all levels and the entire police force should conscientiously study and implement the party Central Committee's instructions on launching the struggle against corruption and, under the leadership of party committees and governments, successfully push forward the struggle.

It is necessary to rely on education and law to combat corruption and promote honesty. The important thing is that party and government leaders at all levels must enhance their understanding and be determined to work hard to implement policies. Procuratorial and judicial departments should take the initiative in participating in combating corruption, enforce law strictly, be serious in handling cases, concentrate on investigating and handling major cases involving crimes committed by law-enforcement personnel, and strictly carry out their legal responsibility. Party committees at all levels and their political and legal commissions must provide better leadership, seriously supervise the handling of major cases, support procuratorial and judicial departments in strictly enforcing laws, overcome resistance, and eliminate interference in all forms. The leadership of relevant procuratorial and judicial departments should strengthen guidance and supervision over investigation and prosecution of major cases and institute a responsibility system for handling cases to increase work efficiency and law-enforcement quality. Investigations must be pursued to the end no matter who is involved or what resistance is encountered. Anyone who hinders the prosecution of cases and protects corrupt elements must be given severe punishment according to party discipline and state laws. In prosecuting cases, it is necessary to pay attention to the political, economic, and social impact. In combating corruption and promoting honesty, it is important to go to the root of the problem. Education in law and professional ethics, with emphasis on building a clean government as the special topic, should be conducted in party and government offices and other key departments, so as to prevent and reduce, to the greatest extent, economic crimes such as embezzlement and bribery.

### **5. Adopting Forceful Measures To Strengthen the Struggle Against Crime and Meting Out Timely Severe Punishment to Criminal Elements**

Resolutely changing the situation in which insufficient efforts have been made to crack down on crime, effectively upgrading the results of cracking down on crime, and creating a social environment in which people can live and work in peace and contentment constitute the major responsibilities of procuratorial and judicial departments and the requirements for these departments set by the Third Plenary Session of the 14th CPC Central Committee. In 1994, in launching the struggle against crime, it is necessary to concentrate on cracking major cases, dismantling organized crime groups, and going after escaped criminals. To cope with their outstanding problems, various localities should adopt forceful measures and organize people to crack down on crime or tackle special types of crime. They should also strengthen investigation, prosecution, trial, and reform on a regular basis; check the steady rise in the number of major and serious cases; step up the anti-theft struggle; mobilize the masses to strengthen crime-prevention measures; eliminate breeding grounds for crime; resolutely ban prostitution and other related activities; resolutely eliminate social evils; round up all local criminal gangs; and exterminate all organized crime groups once they are discovered, never allowing them to exist.

**6. Further Mobilize Social Forces To Implement Various Measures for Comprehensively Improving Public Security and Order Under the New Circumstances**

Efforts to comprehensively improve public security and order were emphasized many times in the decision of the Third Plenary Session of the 14th CPC Central Committee and in speeches made by Jiang Zemin. In the new situation of developing the socialist market economy, it is necessary to work harder to improve public security and order in an all-round way. Not the slightest slackening of efforts in this respect is permitted. The focus of this work for this year is the following: First, great efforts should be made to introduce a responsibility system for leaders to implement the principle that the "persons in charge shall be responsible." Committees for comprehensive management of public security at all levels should work with relevant departments to draw up, as quickly as possible, rules for implementing "Some Provisions for Introducing the Leaders' Responsibility System for the Comprehensive Management of Public Security," promulgated by the five ministries and commissions of the central government. In the process of changing their operating mechanisms and establishing a modern enterprise system, enterprises and institutions should aggressively take the initiative in "guarding their gates, managing their personnel, and doing their work." It is necessary to conduct education in the legal system among the people, do a good job in spreading legal knowledge, and enhance the people's awareness of the law. It is necessary to strengthen networks for soldiers, the police, and the masses to jointly participate in crime prevention and efforts to improve public security and

order. Second, making continued efforts to improve public security and order in key areas. While focusing on the requirements for developing the socialist market economy, it is necessary to take into full account the people's views, determine key areas to be tackled in line with local conditions, improve public security and order, and advance the comprehensive improvement of public security and order by concentrating on key areas. Third, special efforts should be made to resolve the problem of public security and order in rural areas. Agriculture, rural areas, and the peasants constitute the fundamental issues in China's economic development and modernization drive. Solution of the current serious problem of public security in rural areas remains an urgent task. It is necessary to concentrate on villages and towns and areas adjacent to communication lines where public security is in a state of chaos, focusing on cracking down on hooligans and other serious criminals who undermine agricultural production. It is necessary to conscientiously study ways for the rational and orderly transfer of surplus laborers in rural areas and popularize the experience in governing villages according to law. It is necessary to enhance the role of the basic-level people's mediation committees so as to reduce the number of civil disputes and prevent contradictions from worsening. It is necessary to implement the guidelines of the central conference on rural work and reorganize grassroots party organizations, whose core consists of party branches, and consolidate autonomous mass organizations in stages within three to five years. It is necessary to consolidate and strengthen the number of rural people engaged in joint crime prevention and joint efforts to improve public security. In some localities the masses are willing to voluntarily pay for the hiring of personnel to safeguard public security. This should not be regarded as indiscriminate collection of charges. Fourth, it is necessary to conduct education in the legal system among young people, focusing on systematically educating middle school students in the legal system on a regular basis. It is necessary to strengthen control over the market for cultural products and over places where videos are shown in order to purify the public environment in which young people grow. Fifth, it is necessary to implement measures for resettling and educating convicts who have been released at the end of their prison term, as well as the personnel freed from centers for educating juvenile delinquents through labor. In particular, in dealing with those who refuse to work and give up bad habits and who may commit new crimes, it is necessary to draw up a package of control, management, and education measures.

#### **7. Accelerating Reform of Procuratorial and Judicial Work So As To Provide Better Service to Development of the Socialist Market Economy**

The establishment of a socialist market economic structure urgently requires a corresponding reform of procuratorial and judicial work. In accordance with the relevant guidelines of the party Central Committee, procuratorial and judicial departments should implement positive and yet discreet principles; persist in

taking "conducive to three causes"—developing the productive forces of our socialist society, increasing the overall strength of our socialist country, improving living standards—as their fundamental criterion; and, guided by the correct principle of "perfecting the legal system, guaranteeing democracy, strengthening dictatorship, providing highly efficient service, and improving supervision," accelerate the pace of reform and opening to the outside world. In particular, mature reform measures must be introduced in a timely manner.

Procuratorial and judicial departments are urgently required to study a series of reform measures to support the establishment of a socialist market economic structure by the end of this century. For example, reforming and perfecting the judicial system and the administrative law-enforcement mechanism; establishing an integrated people's police structure and judicial structure to upgrade the quality of judicial work and administrative law-enforcement; establishing a sound self-restraint mechanism and law-enforcement supervisory mechanism in procuratorial and judicial departments; in conjunction with major economic reform measures and in accordance with the law governing the operation of the socialist market economy, studying the revision of economic laws and statutes and judicial interpretations, and improving and tightening the administration of economic laws so as to create a favorable legal environment for fair competition; in accordance with the principle of separating government administration and enterprise management, reforming the public security structure and public order management in enterprises and institutions; in accordance with changes in the economic structure in urban and rural areas, reforming the family registration system to bring about a rational transfer of surplus labor; increasing intermediate market organizations such as law and notary offices, reforming their operating mechanisms, and strengthening unified management of legal service organizations; simplifying administrative organs, reforming cadre and personnel administrative systems, and establishing a sound system for handling cases and guaranteeing expenditures; and so on and so forth. Policy decisions on reform should go hand in hand with those on legislation. It is necessary to step up efforts to draft and revise the "Police Law," "Regulations on Judges," "Regulations on Procurators," "Law on Lawyers," "Prison Law," "Notary Law," and "Compensation Law." It is also necessary to accelerate revision of the Criminal Law and the Criminal Procedure Law. These laws should be used to guide, promote, and guarantee the smooth progress of reform in procuratorial and judicial work.

#### **8. Combating Corruption, Promoting Honesty, Tightening Discipline Among Procuratorial and Judicial Personnel, and Improving Their Work Style**

As the main force and also one of the main sectors in the fight against corruption, procuratorial and judicial departments, while actively participating in the struggle against corruption, should first set an example in combating corruption and promoting honesty, allowing these

two activities to promote one another. In combating corruption and promoting honesty, emphasis should be placed on educating the masses of cadres and the police rank and file. We must conscientiously organize them to study Volume 3 of the *Selected Works of Deng Xiaoping* and arm them with the theory of building socialism with Chinese characteristics. All cadres and police rank and file should conscientiously study relevant central documents and regulations, serve as an exemplary servant and defender of the people, and consciously render service to reform, opening up, and economic construction. It is necessary to adopt resolute measures to correct unhealthy practices and strictly investigate cases involving corruption. At the same time, we must commend the advanced, promote healthy practices, and closely integrate combating corruption with promoting honesty. More importantly, it is necessary to learn from experiences and lessons, both past and recent, Chinese and foreign, improve the law-enforcement system, strengthen supervision mechanisms, and institutionalize and standardize strict law enforcement and the struggle to combat corruption and promote honesty.

In 1994 we must launch an education and rectification campaign in procuratorial and judicial departments and among the police force and conduct thoroughgoing education in the reasons for serving the people, the importance of being honest and hardworking, and the legal system. At the same, it is necessary to rely on the masses in investigating and strictly handling cases involving violations of discipline and the law. No indulgence toward wrongdoing shall be permitted. We must focus on investigating and handling major cases involving bribes, bending the law for personal gain, extortion, illegal detainment, and extorting confession by torture, and put a stop to chaotic lending, fund-raising, and establishment of financial institutions—three chaotic phenomena. Cadres and police from public security, procuratorial, and judicial departments must strictly abide by the requirements concerning honesty and self-discipline set by the Central Committee, the circular on the "10 Prohibitions" issued by the Central Commission on Politics and Law, and the rules of discipline for building a clean government drawn up by procuratorial and judicial departments. We must work toward establishing strict discipline and clean workstyle as quickly as possible. 9. Strengthening and Improving Party Leadership Over Political and Legal Work

In the period of transition to a socialist market economic system, those who are involved in political and legal work face a new situation, new problems, and more demanding tasks, thus making further enhancement of party leadership over this work all the more necessary. Party committees at all levels are urged to constantly study and resolve major problems in political and legal work, providing guidance, supervision, and support to political and legal departments to remove obstacles and enhance strict law enforcement in line with the requirements of maintaining, stabilizing, and enhancing law and order in a socialist market economic system. Party

committees and governments at all levels should attach importance to resolving the practical problems of serious shortages of funds and outdated technology and equipment at political and legal departments, ensuring the normal operation of various undertakings by the state organs of dictatorship.

The committees on politics and law under the various levels of party committees are a form of organization that the party uses to enhance its leadership over political and legal work. It is necessary to strengthen these committees under various levels of party committees and give full play to their roles and functions. Committees on politics and law at all levels are called upon to carry out investigation and study in depth, become good advisers to party committees, offer more political guidance to politics and law departments, coordinate and promote closer cooperation among various politics and law departments, work out a system of legal restraints, and give full play their functions and roles.

Building socialism with Chinese characteristics and developing a socialist market economy is an unprecedented and great undertaking. Therefore, the tasks confronting political and legal departments are arduous yet glorious. Let us rally closely behind the CPC Central Committee with Comrade Jiang Zemin at its core, adhere to the party's basic line, fulfil our duties, make bold explorations, work with one heart and one mind, accomplish various tasks, and make fresh contributions to maintaining stability and promoting reform, opening up, and socialist modernization!

#### **Survey Shows 'Young' Consider Corruption 'Serious'**

*HK2302153394 Beijing ZHONGGUO XINWEN SHE in English 1423 GMT 23 Feb 94*

[Text] Beijing, February 23 (CNS)—A sample survey shows that 89.3 percent of young respondents involved in this survey were convinced that corruption at present appearing in China was very serious or rather serious. Repulsive phenomena considered by young people are ranked in descending order as bureaucracy, seeking profit through the abuse of power, bribe-taking and corruption, dissipated living and other unspecific items.

The survey was conducted by a teenage research centre and an institute on politics for the youth and took the form of questionnaire between October, 1992, and May, 1993. The respondents were aged between 18 and 35 years and were from Beijing, Shanghai, Guangzhou, Shandong, Liaoning, Sichuan and Guangxi.

When comparing the process of reform of the political system and that of the economic system, about 57.7 percent of the respondents said that political reform lagged behind economic reform. A total of 50.3 percent of the youth considered the key to political reform lay in the elimination of corruption and the establishment of decision-making and a supervision mechanism based on democracy.

A mere 7.7 percent of respondents said they had a solid belief in socialism while 14.2 percent gave a "no" answer. Most of the young people believed in socialism but were also puzzled with it. Items the youth feel worried about the most were in descending order too little income, lack of housing, poor inter-personal relations, inability to use one's learning in one's career, love and marriage problems, no chance to use one's talents and difficulties in going abroad.

**Yunnan Reports Success in Anticorruption Drive**  
*HK2402054094 Beijing RENMIN RIBAO in Chinese*  
*15 Feb 94 p 3*

[Dispatch by reporter Ren Weidong (0117 4850 2637): "Yunnan Province Severely Punishes Economic Crimes"]

[Text] Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, pointed out at a recent meeting to exchange information on the antigrant campaign to deal harsh blows to serious economic crimes: "The general situation of the anticorruption campaign is good and healthy. The three tasks set by the central authorities have been successfully carried out to various extents. Negative and decadent phenomena have been somewhat restrained; the masses have been initially aroused to action; the number of corruption cases reported by the people has increased sharply; and several activists daring to fight corruption and good party members and good cadres serving the people industriously and honestly performing their official duties have come to the fore."

The meeting, which was called by the Yunnan Provincial CPC Committee, was designed to sum up experiences to further carry out the antigrant campaign successfully. The provincial procuratorate and higher people's court briefed the meeting on how cases had been investigated and dealt with.

According to the statistics, procuratorial organs across the province last year placed on file for investigation and prosecution 1,348 economic cases, including corruption and bribery, of which 749 were serious and important cases. Of all the cases placed on file, 13 involved 1 million yuan each, and 12 involved cadres at the county or section level and above. A total of 1,285 cases involving 1,524 people have been closed. Through trials, illicit money and stolen goods totally worth 39.07 million yuan have been recovered.

The anticorruption campaign has won the wholehearted support of the broad masses of the people. Last year, the procuratorial organs heard 3,248 cases reported by the masses, and the number of cases reported in the August-December period was 2.4 times that of the previous seven months. Of all the cases placed on file for investigation by the procuratorial organs, 53 percent were reported by the masses.

A number of serious and important cases were made public at the meeting. The most spectacular cases were

against the former deputy chief of the provincial personnel department who took a bribe of 200,000 yuan and a certain person called He, the former chairman of the Chinese People's Political Consultative Conference of the Dehong Dai-Jingpo Autonomous Prefecture, who embezzled 2 million yuan in public funds. In commenting on the successes, people here are saying that the provincial government meant what it said this time.

Provincial Party Committee Secretary Pu Chaozhu emphasized: "We must not overestimate the achievements made in the recent anticorruption drive and must not be content with these initial successes. We must be ready to carry out the struggle for a long time. We must, in accordance with the law and discipline, resolutely handle and promptly close those cases for which we have conclusive evidence, regardless of who is involved and in spite of any interference."

**Six Charged With Beating Taiwan Lawyer in Hubei**

*HK2402045094 Hong Kong EASTERN EXPRESS in English* 24 Feb 94 p 6

[Report by Bruce Gilley]

[Text] Six men have been charged in Wuhan, capital of Hubei Province, with the beating last month of a lawyer representing Taiwan investors in the city. The severe drubbing of Zhang Tao, which left him with a broken nose and leg, set off alarm bells in Beijing after it was revealed in the Taiwan media in mid-January.

Taiwan's Straits Exchange Foundation called for a full investigation, fearing it could mark a new trend of violence against Taiwanese bosses on the mainland.

Chinese officials connected with the case said Zhang's aggressive work on behalf of his Taiwanese clients appeared unrelated to the incident. "This was a civil dispute which had nothing to do with Zhang's supposed work for Taiwan," said Wang Guoyao, head of Hubei's Taiwan Affairs Office, from Wuhan. "It was stirred up into a lot of nonsense in Taiwan."

On January 7, six men, armed with knives and sticks, forced their way into the Taiwan-owned Hansheng Computer Company, where Zhang worked as personnel manager. A scuffle ensued, which left Zhang and two company security guards in hospital.

The police did not begin investigating the case until the Wuhan Taiwan Business Association issued a statement that asserted: "There is no way the beating is related solely to Zhang's private affairs."

On orders from Beijing, Hubei's Governor, Jia Zhijie, demanded the police catch the six in order to prevent the case becoming a serious cross strait issue, sources said. The suspects were detained shortly before the lunar new year and had been charged, although none had been sentenced yet, Wang said.

Questioning of the men revealed they had beaten Zhang because he had agreed to pay only 280 renminbi (HK\$246) to cover the hospital expenses of an old woman who herself had been beaten by a female driver of the firm, Wang said. The old woman, a nearby resident, had complained about the noise the driver made with the car horn every time she drove in and out of the factory gate.

"The actual hospital expenses were probably many times [the amount offered by Zhang]," Wang said. The old woman's godson had organised the men to "avenge the remaining expenses" from the stingy Zhang, he said. "The driver shouldn't have beaten the old woman and the godson and his friends shouldn't have beaten Zhang."

The head of the Wuhan Taiwan Business Association, Chen Fengrong, admitted the beating of Zhang did not concern his work for association members. "We thought this was the case at first, but since the arrests it has become clear this was an internal company matter," he said from Wuhan. "Since the lunar new year break I've been to visit Wang and we've basically agreed to put this matter behind us."

#### **Overseas Basic Pilot Training Banned After 1995**

*HK2402054494 Hong Kong EASTERN EXPRESS in English 24 Feb 94 p 6*

[Text] Chinese civil aviation officials have reaffirmed their intention to ban the basic training of pilots abroad after 1995, even though the country is facing a severe shortage of pilots. An official at the Civil Aviation Administration of China (CAAC) in Beijing said that lower costs and national pride were key factors behind the move.

However, Western aviation analysts have raised questions about the quality of the CAAC's Chengdu Flying College, especially if it is expanded too rapidly.

The official said a recent contract with Northwest Airlines to train 250 mainland pilots in the United States this year would not be affected as it mainly involved refresher courses for pilots of five Chinese airlines rather than basic training.

#### **Science & Technology**

##### **Li Peng, Liu Huqing Write to Aerospace Forum**

*OW2202150494 Beijing XINHUA Domestic Service in Chinese 2131 GMT 21 Feb 94*

[By reporter Li Xiuqing (2621 4423 3237)]

[Text] Beijing, 22 Feb (XINHUA)—Premier Li Peng and Liu Huqing, vice chairman of the Central Military Commission [CMC], sent letters to the first working conference of the China Aerospace Industry Corporation [CAIC], which opened on 21 February, expressing the

hope that the aerospace front will seize the opportunity, make persistent efforts, and step up reform to bring about greater development in China's aerospace industry by the end of this century.

Li Peng stated in his letter: The aerospace industry occupies a very important position in China's economic construction and construction of national defense. It has been the CPC Central Committee, the State Council, and the CMC's consistent principle to maintain a momentum for developing China's aerospace industry and to step up the transfer of aerospace technology to the national economic construction. In the past 30 years or so, you have scored great achievements in and made contributions to the development of China's aerospace industry through unremitting efforts. I earnestly hope that, through this conference, you will further unify your thinking, change your concepts, seize the opportunity, deepen reform, and step up development on the basis of Comrade Xiaoping's theory of building socialism with Chinese characteristics to make new contributions to enhancing China's defense capability, promoting national economic development, and increasing China's overall national strength.

Liu Huqing said in his letter: Now China has turned a new page in the aerospace industry to carry forward its development and forge ahead into the future. I hope you will keep your sacred missions firmly in mind, start from the world strategy and supreme interests of the state, greet challenges, keenly engage in reform, and bravely scale new heights in your industry to create a brighter future for the Chinese aerospace industry.

State Councillor Song Jian attended and addressed the conference. He also expressed his ardent expectations of further developing the aerospace industry.

The CAIC was established last year by reorganizing a former government organ, according to the decision of the CPC Central Committee and the State Council, to meet the need to establish a socialist market economic system. In his report to the conference, President Liu Jiayuan said: During over one year of intense work, the aerospace front has smoothly completed institutional transformation and has brought many new reform measures into practice. Organs at various levels were streamlined, their work style changed moderately, and their efficiency rose to some extent. The industry has made great achievements in the fields of scientific research, production, development of civilian products, export, and separate management of military goods and civilian products, and has thus laid a foundation for further development.

The new ideas for developing the aerospace industry are: "developing aerospace industry, stressing civilian products, improving economic returns, and marching toward the world." The industry's objectives of development by the year 2000 are: "making great developments in applied satellites and the application of satellites and

industrializing them in earnest by successfully developing and manufacturing a new generation of telecommunications satellites, meteorological satellites, resource satellites, and new aerospace engineering; further modernizing weaponry; developing the CAIC into a high-tech and large-scale transnational conglomerate; marketing Chinese-made satellites and their parts and other civilian goods on the international market, after consolidating and strengthening the existing position of China's carrier rockets on the international market, to better serve people of the world; and, from now on, setting the average annual growth rate of this industry's total output value at 20 percent and its annual per capita productivity over 100,000 yuan, so that the aerospace industry will truly become one of the attractive industries.

### Guangdong To Build Second Nuclear Power Plant

#### Governor Confirms Plans

HK2302063494 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 22 Feb 94*

[Text] Prior to his presence at the Second Session of the Eighth Provincial People's Congress this afternoon, Governor Zhu Senlin told reporters that Guangdong will build a second nuclear power station in the Daya Bay. Zhu Senlin said: The first-phase project of the Daya Bay nuclear power station has been completed; the second nuclear power station possibly may comprise four generating units. In addition, a third nuclear power station possibly will be built in Yangjiang, which will comprise four to six generating units. The Daya Bay and Yangjiang nuclear power stations will have an installed capacity of almost 10 million kilowatts.

Zhu Senlin also explicitly explained the safety of the Daya Bay nuclear power station—a question asked by a Hong Kong reporter. He said: There is a full set of emergency measures within the radius of five to 50 km of the Daya Bay nuclear power station. These measures are quite perfect and everyone may rest assured.

#### Hong Kong Fears Plans

HK2302054394 *Hong Kong SOUTH CHINA MORNING POST in English 23 Feb 94 pp 1, 8*

[By Daniel Kwan in Guangzhou and Elisabeth Tacey]

[Text] Guangdong Governor Zhu Senlin confirmed yesterday that at least two more nuclear power plants, much bigger than the existing station at Daya Bay, would be built to meet the province's electricity demand. The Government had already decided to add four more reactors at Daya Bay, Mr Zhu said before a session of the Guangdong People's Congress. "Yes. That's right. The second nuclear plant will be at Daya Bay," he said. The third, which will have six generating units will be at Yangjiang City 226 kilometres west of Hong Kong. Each generator will produce 1,000 megawatts. "We would like

to build more according to our plans, but it is still difficult to say when we will build the fourth and the fifth."

It is believed Guangdong wants the second Daya Bay station, to be built about five kilometres away at the village of Lingao, to come on stream within four years. Confirmation of many more nuclear facilities so close to Hong Kong could deal a severe blow to confidence in the territory where many people still have doubts over the safety of the first reactors, which went into operation last month. Hong Kong's environmentalists and legislators fear poorer safety standards and cost-cutting will make the new power plants more dangerous than the existing Daya Bay plant. Although Daya Bay has already started operation, the Hong Kong Government still had difficulties reaching a full agreement with Guangdong on how to deal with nuclear accidents.

It was understood that Prime Minister Li Peng had given his consent to the construction of the second plant at Daya Bay. Each reactor will have a power generation capacity of 900 megawatts. Liang Zhenyuan, party secretary of Yangjiang, confirmed that road construction and site surveys for the third nuclear plant had been completed. The mayor of Yangjiang city, Wen Paotian, said the plant would cost about 100 billion yuan (HK\$88.8 billion) and would be financed mainly by foreign investment. Mr Liang insisted nuclear plants built in China would be safe as did Mr Zhu. "There is no need to worry about safety. We have very secure safety measures. Many Hong Kong representatives have visited (Daya Bay)," Mr Zhu said. "We have a very comprehensive set of safety measures for areas located five or 30 km from the Daya Bay nuclear plant. "On this point, put your heart at ease," he said.

Executive Vice-Governor Lu Ruihua confirmed Guangdong was awaiting final approval from Beijing for the expansion of nuclear generation facilities. Mr Lu said nuclear energy was preferred because it was "pollution free". "We still have a power shortage even if we add all our existing energy resources together," he said. The nuclear plants would be financed by the Central and provincial governments. When asked whether Guangdong would consider foreign investment, Mr Lu said: "We will make that decision when the time comes."

However, Legislative Councillor the Reverend Fung Chi-wood said the Chinese Government decided in its 1980s feasibility study that Lingao, five kilometres northeast of Daya Bay and about 55 km from Hong Kong, was a less suitable site than Daya Bay for a nuclear plant because it was more prone to earthquakes. Because Hong Kong is unlikely to need any electricity from the plant after the Black Point power station comes on line, the territory's companies might be less interested in playing a role. Daya Bay provides 70 per cent of its output to Hong Kong. China Light and Power which owns 25 per cent of the Daya Bay plant through its subsidiary Hong Kong Nuclear Investment Co, said that it had yet to consider becoming involved. But

spokesman Dominic Tai Kwan-kuen said that "the theory is correct" that the company's interest might be reduced because it would not want to buy the electricity.

Mr Fung and colleague Emily Lau Wai-hing said they thought China would try to use the little knowledge learned from the Daya Bay plant to cut out foreign firms. Ms Lau said that considering how jittery Hong Kong people were about Daya Bay: "Why can't they build it somewhere else; why do they need to provoke the situation?" But Ms Lau and Christine Loh Kung-wai cautioned against trying to tell the Chinese what to do. It was none of Hong Kong's business where the mainland chose to build its power plants.

Friends of the Earth representative Lisa Hopkinson said it was "the height of foolhardiness" to go ahead with another plant before any disposal programme had been worked out for the waste that would be generated. She also said the probability of accidents increased with the number of plants built. And without any idea how to decommission old plants, China was building up a huge liability for the future.

**New Satellite Earth Station Goes Into Operation**  
**HK2302080794 Beijing CHINA DAILY in English**  
**23 Feb 94 p 3**

[By Sun Shangwu: "Satellite Land Station Launched"]

[Text] A new satellite earth station was put into official operation in Beijing's northwest suburbs yesterday.

It is designed to provide mobile communications links between ships on the Indian and Pacific oceans and people on any continent.

The Beijing Marine Communication and Navigation Company a member of the International Maritime Satellite Organization (Inmarsat), has invested in the station.

The Beijing Inmarsat station which started trials in June 1991 was set up with \$2.44 million in loans from the Norwegian Government.

During the trials, the station helped customers at sea to put through domestic and international telephone calls, faxes and telexes.

The station can also provide help with news reporting and geological prospecting and has commercial and safety applications on land sea and air.

Inmarsat is based in London and was founded in 1979 to serve the maritime community. China was one of the first members.

### Beijing Sets Up Maritime Signals Satellite Station

**OW2302023494 Beijing XINHUA in English 0221**  
**GMT 23 Feb 94**

[Text] Beijing, February 23 (XINHUA)—The Beijing Maritime Signals Satellite Ground Station, the only one of its kind so far in the country, passed tests here Tuesday [22 February].

In its trial operation the station handled nearly 200,000 domestic phone and fax calls, and 100,000 international calls.

The station will improve links among mobile telecommunications systems users in the Pacific and Indian Oceans and users of stationary equipment on land.

### Economic & Agricultural

#### Qian Qichen Addresses Overseas Exchanges Meeting

**HK2402130494 Beijing ZHONGGUO XINWEN SHE**  
**in Chinese 1037 GMT 18 Feb 94**

[Text] Beijing, 18 Feb (ZHONGGUO XINWEN SHE)—Today, Qian Qichen, member of the CPC Central Political Bureau and vice premier of the State Council, said that overseas exchanges should serve the central task of economic construction and serve China's foreign relations and China's reunification.

Qian Qichen said this in a speech to the Second Plenary Meeting of the Executive Council of the Overseas Exchanges Association of China.

Qian Qichen said: "In the four years since the founding of the Overseas Exchange Association of China, it has played a positive role in giving publicity to China's achievements in its reform, opening, and economic construction, in promoting unity and friendship with Overseas Chinese and foreign citizens of Chinese descent, and in developing cooperation and exchanges with overseas Chinese communities and foreign citizens of Chinese origin. I hope that the association will continue to play a better role in these aspects in the future."

Qian Qichen held: The new situation requires further expansion of China's overseas exchanges so that China may better understand the world and the world may also better understand China. This will thus set higher requirements for the work of the Overseas Exchange Association of China and will also create a broader scope of activity for the association.

When talking about the concrete hopes pinned on the Overseas Exchange Association, Qian Qichen said: Economic construction is the central task of the CPC and the Chinese Government. Our work in all trades should be closely tied to this central task. The work of the Overseas Exchange Association and its local branches at all levels should also be conducted closely around the central task.

Only thus will they play an effective role as they should. After analyzing China's economic situation in the last two years, he said: When the world economy remained in a recession, there was sustained, rapid, and healthy economic development in China. The 1.2 billion Chinese people display broad market prospects, which have aroused interest and attention from more and more countries in the world and are greatly attractive to overseas investors and entrepreneurs, including overseas Chinese investors and entrepreneurs. This provides a favorable environment for the Overseas Exchange Association to conduct its work in order to serve our country's economic construction.

Qian Qichen said: In the development of foreign relations, mass organizations involved in foreign activities constitute an indispensable force, and their role should be brought into full play. Such organizations may have different characters and perform different functions, but they share one common point. That is, they are doing the work of making friends, building up friendship, promoting communication, increasing exchanges, and seeking common ground. The Overseas Exchange Association is oriented to Overseas Chinese and foreign citizens of Chinese origin. It has a large number of contacts among overseas Chinese in various social strata and has built up a rather profound friendship with some of them. Being mass organizations in some specific communities, the local branches of the Overseas Exchanges Association at all levels keep natural blood relations and fellow countryman fraternity with overseas Chinese and foreign citizens of Chinese origin. With these favorable conditions, they may more naturally and more flexibly make friends in a broad scope.

At the same time, Qian Qichen also hoped that overseas Chinese and foreign citizens of Chinese origin will settle down and take root in the foreign countries where they are living, and will get along in good terms with local people and make contributions to local economic development.

When talking about the role of the Overseas Exchanges Association of China in promoting the motherland's peaceful reunification, Qian Qichen said: To resume the exercise of sovereignty over Hong Kong and Macao and to realize "peaceful reunification" between the two sides of the straits, we not only need cooperation between the Chinese and British Governments and between the Chinese and Portuguese Governments and pin hopes on the Taiwan authorities, but also need to rely on an increasing patriotic and reunification-upholding force among the compatriots in all social strata in Hong Kong, Macao, and Taiwan and rely on the joint efforts of all Chinese people and people of Chinese origin at home and abroad who support China's reunification. Because the local branches of the Overseas Exchange Association have broad and close connections with overseas Chinese, foreign citizens of Chinese origin, and the business communities and people in all social strata of Hong Kong, Macao, and Taiwan, they should actively give publicity to the policy of "one country, two systems" and

other guidelines, principles, and policies for realizing China's peaceful reunification through their connections among Overseas Chinese and foreign citizens of Chinese origin. This will certainly be conducive to increasing exchanges, understanding, and common ground between the mainland on the one side and Hong Kong, Macao, and Taiwan on the other side, thus promoting the smooth return of Hong Kong and Macao and speeding up the process of peaceful reunification between the two sides of the strait.

Today's plenary meeting of the Second Executive Council of the Overseas Exchange Association of China was chaired by Qian Weichang, chairman of the association. Liao Hui, vice chairman of the association, delivered a work report in which he reviewed the association's work in 1993 and outlined the 1994 work plan.

At today's meeting, 46 new members headed by Chen Ziying were added to the Executive Council, and 16 new members were added to the Standing Committee of the Executive Council. Zhu Youjun, director of ZHONGGUO XINWEN SHE, was appointed to be new secretary general for the association.

#### Tian Jiyun Inspects Guangdong's Shantou 16-20 Feb

HK2302025194 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 21 Feb 94

[Text] Tian Jiyun, member of the CPC Central Committee's Political Bureau and vice chairman of the National People's Congress Standing Committee, inspected Shantou from 16 to 20 February.

Tian Jiyun pointed out: Shantou has changed and developed much in recent years and there has been gratifying, vigorous development. Shantou's leading cadres have a good mental attitude, good ideas, and high morale. With a good leading group, Shantou will fulfill its recent targets.

Tian Jiyun went to the Shantou Special Economic Zone, Chaoyang, Chenghai, and other places to learn about high-tech development, agricultural production, township and town enterprises, and the people's lives.

Tian Jiyun stressed: Shantou should pay attention to the four following points in its development: 1) It should make all possible efforts to stabilize its agriculture and to prevent it from declining. 2) It should make every effort to develop township and town enterprises and increase the gross economic volume. 3) State-owned enterprises should devote great efforts to technical transformation and make bigger strides in reform. 4) It should discover more methods to introduce foreign capital and use the people's funds.

**Beijing Holds National Statistics Work Conference****Commentator Reviews Meeting**

*HK2302105894 Beijing RENMIN RIBAO in Chinese  
21 Feb 94 p 1*

[Commentator's article: "Strive To Do a Good Job of Statistical Work"]

[Text] Today, the national statistics work conference will open. The main task of this meeting is to sum up the main experiences in statistical work since Comrade Deng Xiaoping made his important talks during the inspection tour to the south and since the 14th party congress and to deeply study reform of the statistical system according to the requirements of establishing a socialist market economy, thus further enhancing the level of statistical work and promoting the sustained, rapid, and healthy [chi xu kuai su jian kang 2170 4958 1816 6643 0256 1660] development of the national economy.

Statistics is an important part of the basic work of the state in exercising scientific policy-making and management. The party central leadership with Comrade Jiang Zemin as the core attaches great importance to statistical work and cares deeply about it. Recently, to mark the 10th anniversary of the promulgation and enforcement of the "PRC Statistics Law," Premier Li Peng wrote: "Keeping accurate and timely statistics according to the law." Practice shows that only by keeping statistics according to the law can we ensure that statistics are accurate and timely; and only by ensuring the accuracy and timeliness of statistics can we guarantee the effectiveness of the information, consulting, and supervisory functions of statistics and guarantees the correctness of policies and their effective implementation.

Accuracy requires us to adhere to the principle of being realistic. That is, we must authentically record facts and must resolutely oppose any exaggeration and concealment. If we are not careful and rigorous in handling statistics or even practice fraud, then it is very likely that incorrect policies will be formulated and incalculable losses may be caused to economic construction. There have been extremely profound negative experiences in the past, and we should bear this in mind.

The value of information lies in its timeliness. That is, the transmission of information must be speeded up, and the work of monitoring, forecasting, and anticipating trends in the operation of the national economy must be strengthened. We should strive to provide the necessary information before leaders make policy decisions so that problems can be solved as soon as they appear.

Through reform and development in the past 10 or more years, the statistical work in our country has gradually moved onto a path specified by the legal system, and statistics organs have gradually expanded their functions

from merely providing information to offering consulting services to the leading organs of the party and government and exercising effective supervision over economic operations. Under the current situation of speeding up the process of establishing the socialist market economic structure, our statistical work is also facing some new and stern challenges. On the one hand, due to changes in the economic base, changes have also occurred in those institutions subject to statistical investigation. Not only has the number of such institutions been increasing continuously, but they have become more and more complicated as a variety of economic elements, business organizational forms, and distribution patterns now coexist side by side. This will make it more difficult to conduct statistical investigations. On the other hand, due to changes in the pattern of interests, the phenomena of exaggeration, concealment, deliberately delaying reports, and refusing to submit reports have arisen in some localities and units, thus affecting the accuracy and timeliness of statistics. Therefore, it is necessary to positively advance reform of the statistical management system and statistical investigation methods, make great efforts to consolidate the legal system related to statistics, and ensure that statistics are actually handled, managed, and developed according to the law.

The Third Plenary Session of the 14th CPC Central Committee pointed out: "The establishment and improvement of the socialist market economic structure must have standards and guarantees from a perfect legal system." This requirement is also applicable to statistical work. The Statistics Law in our country was formulated 10 years ago, and some provisions of the law may not be suited to the requirements of the establishment of the socialist market economic structure. Therefore, we should make revisions without delay and improve the law as soon as possible. Statistical legislation must give expression to the spirit of reform. It is necessary to seriously sum up practical domestic experience, boldly adopt successful foreign practices, and use the law to guide, promote, and guarantee the smooth development of reform in statistical work so that it will play a greater role in the state's scientific policy-making and macro-control.

Leading organs and leading cadres at all levels should firmly support the efforts of statistical organs to fulfill their task according to the law. It is necessary to further popularize legal knowledge related to statistics. All people related to the statistical work should study and understand the relevant law and should be conscious in abiding by the law and applying the law. All localities, institutions, and individuals must not impede statistical organs and personnel from collecting and reporting statistics to the upper authorities according to the law. Those who refuse to perform their statistical duty, deliberately evade or undermine the state's statistical supervision, practice fraud with statistics, or impede statistical organs and personnel from independently performing their duties specified by law must be investigated and punished according to the law. A small

number of cases which have had a major impact should be exposed by the mass media. Thus, the handling of one case may educate a large number of people and may ensure the smooth conduct of statistical work.

**'Urgent Need' for Reform Seen**

*HK2302054294 Beijing ZHONGGUO XINWEN SHE  
in English 1403 GMT 22 Feb 94*

[Text] Beijing, February 22 (CNS)—There is an urgent need for a fundamental change to China's statistical and survey system, because the system no longer meets the increasingly complicated economic structure and diversified patterns involved by bodies subject to the current statistical system, the Director of the State Statistical Bureau, Mr Zhang Sai, said at a national statistical work meeting held today here.

The bureau sees the pattern for restructuring of the statistical system in such a way that a new statistical system had to be set up by which periodical general surveys would be staged centering on a regular sampling survey and helped by a comprehensive statistical graph, key investigation and scientific projection. The new system is aimed at ensuring the gathering of evidence for accurate, timely and comprehensive statistical figures for reference by the government in its decision-making.

Starting this year, the bureau will adopt a new statistical system in which collection of information will be made on a regular basis from the grass roots which can effectively reflect the market economy, marking a change from the planned economy to the market economy. Mr Zhang pointed out that some significant statistics collected in recent years showed trends and changes in the economy. As contradictions are growing prominent between partial and overall interests, regional and central interests and between individuals as well as collective interests and the state interests, the possibility of distortion of statistics is becoming greater. The original statistical system in line with the planned economy no longer meets the needs of the new situation and it is yet to be restructured.

The bureau has warned against falsification of statistics aimed at showing inaccurate results. Such statistics would have an adverse impact on decision-making regarding the economy made by the government and in turn result in damage to the national economy. It has to be seriously dealt with.

A large overhaul of national statistical practical will be jointly held by the Financial and Economic Committee of the Standing Committee of the National People's Congress, the Ministry of Supervision, the Bureau of Legislative Affairs of the State Council and the State Statistical Bureau in the second half of this year. Entities and officials found guilty of malpractice in statistical practice will be seriously dealt with and punished.

**Reportage on January's Economic Performance**

**XINHUA Reports**

*OW2302100094 Beijing XINHUA in English 0858  
GMT 23 Feb 94*

[Text] Beijing, February 23 (XINHUA)—China has reported a fairly good economic performance in the first month of 1994, with a steady rise of industrial production and a stable domestic market.

In January this year, China's industrial output value chalked up 290 billion yuan (about 32.3 billion U.S. dollars), up 33.2 percent over the same month last year, according to the State Statistics Bureau (SSB).

The first month of 1994 also saw a 22 percent increase in retail sales, with total volume topping 120 billion yuan.

China's imports and exports were worth 10.5 billion U.S. dollars in January this year. The exports were 4.8 billion dollars, up 43.1 percent over the same month last year.

The SSB figures show that state revenue went up 86.2 percent in January, which means a relatively comfortable balance of revenue and expenditure.

However, officials of the SSB said that inflation, continuing for several months, still posed a threat to the sustainable and healthy growth of the national economy. The situation facing state-owned enterprises was also tough, they said.

Economists here called on the government to continue strengthening macro-economic control so that inflation and fixed assets investment could be kept under check.

**Said 'Normal'**

*HK2302154494 Beijing ZHONGGUO XINWEN SHE  
in English 1429 GMT 23 Feb 94*

[Text] Beijing, February 23 (CNS)—According to a report by the State Statistical Bureau, the economic situation last month in China was on the whole normal. The new tax system which became effective early this year has seen its results with the financial revenue in the country increasing by 86 percent last month. The balance between revenue and expenditure in the month was RMB 5.1 billion [renminbi].

Such sharp growth in financial revenue is mainly attributed to a lower base figure for January last year on which the calculation was based and the early submission to the state coffers of proceeds from national bonds in addition to continuous rapid economic growth. The national economy for last January showed some points worth nothing.

Industrial production maintained its quick growth with a sound balance between production and marketing. The industrial output value rose by 33.2 percent last January, a daily gain of 19.9 [as received] percent on average

when taking into consideration holidays. The sales rate increased by 1.3 percentage points over the same month last year.

The domestic market was relatively stable last month when the retail value of consumer goods rose by 22 percent over the same month last year, showing a 5 percent growth after taking into consideration the price factor.

Consumers tended to buy products of high grade with various kinds of famous brand and high-quality products seeing the best sales. The rural market took a turn for the better with the retail value there last January keeping pace with that in the urban market.

Imports showed a rapid gain and exports registered a rebound with a rise in foreign exchange earnings. Imports increased by 78 percent in January and exports by 43.1 percent with imports surpassing exports by U.S.\$900 million.

The State Statistical Bureau said that the economy was proceeding at a steady pace at present while at the same time some problems concerning the economic life remained. Market prices, already at a high level, continued to climb last January. Consumption prices in 35 main cities rose by 23.3 percent in January over the same month last year. Various kinds of items saw their prices rise to various extents with food, clothing, medical health care and leisure-time activities as well as education showing a higher gain of price ranging between 4 and 6.4 percent over January last year.

The current economy is generally regarded as an extension of that in the fourth quarter last year. It showed quick growth on the one hand while on the other some problems were still prominent and macro-economic regulation needed to be kept in place.

Authoritative sources were convinced that a rather tight policy on the macro-economy should be maintained. Fixed assets investment underway should be kept under control in terms of size and direction while the gross loan volume and financial order should be maintained with a timely adjustment necessary in order to keep a balance between supply and demand.

#### **Shanghai Professor Criticizes Economic Policies**

**HK2402045194 Hong Kong EASTERN EXPRESS in English 24 Feb 94 p 6**

[Report by P.N. Kandinsky]

[Text] Professor Li of the Shanghai Academy of Social Sciences wasn't impressed when a Communist Party newspaper invited him to write an article on the "socialist market economy" in late 1992.

"Those people have gone on preaching about their kind of socialism for the last three years," he said. "Who knew what they really wanted?" Li didn't write anything for it, but he continued to publish articles about his market

theories in other media. "Publications on the lower levels of the official hierarchy have a better reputation," he said. "Intellectuals of my generation no longer have any hope of working with this regime."

But the newspaper kept asking him, most recently late last year, shortly after the party's central committee held its annual plenary session which adopted a decision to embrace more economic reforms. "I finally agreed, thinking this time it might be different," he said. "But once again, I was being stupid."

The editor of the newspaper called Li not long after the article had been submitted. "I'm sorry, but we can't use your piece," he said. "Why?" Li asked. The editor explained: "Didn't you recently write an article for a Hong Kong newspaper? According to the responsible authorities, you did and that article raised some problematic points."

And so, the professor's article was killed. "Every time the government fails, it is because it has refused to listen to its best critics," Li said.

China's best-trained economists, including those in the government think-tanks, are predicting the regime's single minded pursuit of high growth will have disastrous consequences, according to Li. But Chinese leaders have yet to mend their relations with the intellectuals, which were rent asunder after the Tiananmen Square crackdown in 1989.

The party's "policy on intellectuals" is still one of deep distrust. Soon after Tiananmen, the regime convened a series of meetings to "sum up the experience" of how the party had won that "historical victory." The central issue was explaining the spread of "bourgeois liberalism" which had almost toppled the communist regime. Their conclusion: It was still necessary to continue the class struggle in the Stalinist and Maoist sense. Class analysis, not economic development, should remain the "lifeline of the party".

The class enemy, the party ideologues declared, was the middle class represented by troublemakers among the intellectuals. Their theory, according to Li, is that intellectuals know how much more their counterparts in the West are paid. Their resentment has corrupted them into refusing to work for the party and attacking the proletarian state.

"Examine the speeches and articles by people like Deng Liqun—the party's leading hardline ideologue—or Wang Renzhi, who was director of the party's propaganda department after the 1989 crackdown," said Li. "From their speeches, you can see clearly that the middle class is the enemy and intellectuals are its representatives."

There were open clashes between party bosses and intellectuals at the meetings to sum up the lessons of 1989, he said. At one session, he recalled, Wu Jinglian—one of China's leading economists—challenged the party speaker by saying that no government could hold itself

up without support from intellectuals, nor could society become stable without a large, middle income population. "Of course, they rejected this kind of criticism," he said. "They don't believe that a middle class is necessary to sustain stability. They think because they have the Army their guns and tanks will be enough for them to rule China forever."

Since the mid-1980s, economists have been strenuously advocating many of the reform ideas which the regime is now tentatively considering. The proposal for a genuinely independent central bank, for instance, was rejected by the Premier, Li Peng, many times. At one State Council meeting in 1991, Li became furious when banking reform was mentioned. "The People's Bank [China's nominal central bank] is nearly the last bit of power that I have left," Li yelled at the proponent. "If you want to rob me of this too, why don't you just proclaim yourself premier?" It may not be coincidental that the new banking reforms were only approved while Li was on sick leave after a heart attack last year.

"I no longer care whether they use my ideas or not," a professor at Beijing University said. "These are the same ideas we put forward back in the mid-1980s and which they condemned as "bourgeois liberalism"—if they don't use my ideas, they themselves will pay the price."

Relations between the regime and intellectuals were different, he said, from the time "when we were enthusiastic about the reform and optimistic about its success. Now, it is more like a business relationship: You place an order, and I'll deliver the goods—if I feel like it."

There were several thousand Chinese graduate students with economics majors in Western countries. But the regime had never listened to their opinions, he said. "This is a terrible waste of human resources at a time when China is faced by all sorts of dangers."

As one cultural critic said: "China fall apart. But if it reaches that point, it will be because of the regime's policy blunders. The worst mistake is to label those whose help is most needed as the enemy."

#### Civil Aviation Official Stresses Flight Safety

OW2302150294 Beijing Central People's Radio Network in Mandarin 1030 GMT 21 Feb 94

[From the "National Hookup" program]

[Text] Yan Zhixiang, deputy director of the Civil Aviation General Administration of China, today called on the civil aviation industry to bring about an improvement in safety in 1994 and to put a stop to serious flight accidents.

Yan Zhixiang made the above remarks at today's national work conference on civil aviation's flight safety. He said this year the character "strictness" will be emphasized in civil aviation's safety work. He called for practising strict management, for formulating strict rules

and standards, for strict enforcement of discipline, and for applying the character of "strictness" in all areas of the civil aviation work. Under the condition of a fierce market competition, he called on all to guard against the tendency of only paying attention to development to the neglect of safety; to overcome the tendency of stressing production management to the neglect of safety; to overcome the tendency of stressing efficiency to the neglect of safety; and to give safety top priority at all time.

Yan Zhixiang pointed out the need to adopt resolute organizational measures against units which are poorly managed, which are poorly led, and which are beset with serious safety problems and to sternly call to account the leaders of those units. In the future, he said, one of the main criteria for evaluating and promoting cadres should be made to evaluate their attaching importance to the safety work and to their ability to do a good safety work.

#### Gold Market To Open to Outside World

HK2402084894 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0921 GMT 16 Feb 94

[By reporter Shao Ling (6730 7227): "Mainland China Plans to Open Its Gold Market to the Outside World"]

[Text] Hong Kong, 16 Feb (ZHONGGUO TONGXUN SHE)—When Shanghai and Guangzhou actively seek central government approval for setting up gold exchanges, the relevant department in China plans to offer tenders to foreign firms for exploring gold mines in various areas on the mainland. According to information that we have received, Beijing has already established a special office to oversee the organization and coordination of importing overseas funds and technology to develop gold resources. As of this moment, more than 10 companies from the countries and regions such as the United States, Canada, South Africa, and Australia have expressed interest.

In recent years, along with the improvement in the people's living standard, more and more people have begun to pay attention to fashion and appearance, so gold jewelry has become popular in various areas on the mainland. Shanghai has many gold jewelry shops and has become an important gold market; like Guangzhou and Shenzhen, it has already proposed the establishment of a standardized gold exchange. In the 1930's, Shanghai was the largest gold trading center in the Far East, and its transaction volume ranked it third in the world, just behind London and New York. After the 1950's, for various reasons, Shanghai's gold market ceased operating, but since 1982, when the mainland restored internal sales of gold jewelry, the number of gold jewelry shops in Shanghai rose to over 250. In 1992, Shanghai sold 15 tonnes of gold jewelry, and the money involved was about 1.7 billion yuan, a 50 percent increase over 1991; in the first half of 1993, it sold 14.5 tonnes of gold jewelry (the volume of sales in the whole country was 250

tonnes), and the money involved was 1.87 billion yuan, ranking Shanghai first in the country in terms of sales volume and making it the largest gold market in China.

For the past four decades, however, gold production activities and operations in China has always been under centralized state control, and the People's Bank of China has set the buying and selling prices of gold and has monopolized purchase activities and operations. Judging from the year of the lowest purchase price of gold on the mainland in the past decade, the price was less than 50 percent of the gold price in the international community, but the bank's selling price was 30-40 percent higher than the international gold price. The distorted gold price on the mainland has led to an increase in the industrial production cost of gold, as well as a decrease in returns; thus, gold mines and factories have lost money year after year and the problems of gold smuggling and the drain on gold resources have become quite serious. Because the black market price of gold is 120-140 yuan per gram, the amount of gold smuggled in accounts for two-thirds of the nongovernmental output of gold in the whole country, whereas the gold purchased by the state accounts for less than one-third of the output in the nongovernmental sector.

For example, in the first half of 1993, due to the state's low purchasing price for gold as well as the effect of black market gold transactions, the state's purchased volume of gold dropped sharply, representing a 57 percent decrease from the same period in 1992.

In order to revitalize the gold market on the mainland, last August the People's Bank of China once again announced an adjustment of the purchase price for gold, basing it on the price of gold in London. Customers may

use yuan, which is calculated according to the exchange rate at the foreign exchange swap center at any specific moment, to pay for gold jewelry. At the same time, the purchase price of gold was increased from 54 yuan per gram to 96 yuan per gram; the corresponding dealer price of gold was increased to 107.68 yuan per gram, and it was made clear that the price would be flexibly adjusted in the future according to changes in the international price of gold and the exchange rate of the yuan. As a result, the gold output volume in the second half of the year rebounded, and annual output increased 7.5 percent over that of 1992.

China has not officially announced its gold output, which has only been revealed by newspapers and magazines. Over the past 14 years, output has increased five times, among which the gold excavation volume in the nongovernmental sector was 400,000 liang [one liang equals 50 grams] last year. People believe that the output of state-run gold mines should exceed this number. At present, the government's gold reserve is 400 tonnes, and the gold volume in the nongovernmental sector also comes close to 400 tonnes; thus, it suffices to form a gold market with some scale. According to information we have received, in recent years, the southern parts of Shandong Peninsula have discovered 26 gold mines, which have commercial exploration potential. If advanced technology can be brought in from the United States, Canada, and South Africa, gold production on the mainland has great prospects. Guangzhou and Shanghai are fighting for the establishment of gold exchanges, to carry out gold futures trading, and this will promote convergence of the mainland's gold market with the international gold market, so that gradually the gold price will be commercialized, and the market will be internationalized.

### Central-South Region

#### Guangdong Authorities Crack Drug-Trafficking Ring

HK1902072694 Beijing ZHONGGUO XINWEN SHE in English 0959 GMT 18 Feb 94

[Text] Guangzhou, February 18 (CNS)—The Guangdong Department of Public Security successfully cracked a big drug-trafficking ring composed of drug traffickers from Hong Kong, Guangdong, Yunnan and Guangxi with the arrest of 26 suspects including three Hong Kong@persons, seizing 17,400 grams of heroin, RMB [renminbi] 1.2 million in cash and a number of instruments for the processing of drugs.

Police in Zhaoqing carried out an undercover action on November 2 last year after learning that drug traffickers from Hong Kong had gone there with a big amount of money for trading drugs with a local drug-dealer at his luxury residence. The police launched a raid on the drug-traffickers early the following early morning when the four suspects appeared outside the house carrying bulging bags. They were arrested and 7,500 grams of heroin were found in the bags. The police also captured three other suspects inside the house and discovered RMB 620,000 in cash which had been brought there by the Hong Kong suspects as well as 8,700 grams of heroin.

The police went on the same day to arrest two other suspects who had sneaked into Shenzhen from Hong Kong and were found to be accomplices in the drug-trafficking. Two more hideouts for the drug trade were smashed in the urban area of Zhaoqing with five drug-traffickers arrested.

Further raids were later carried out in Yunnan, Guangxi and Luoding in Guangdong with the ring-leader together with six suspects being captured. The drug ring was wiped out with the elimination of the drug route by which the drugs were first brought in from Yunnan and transported to Zhaoqing in Guangdong via Guangxi for later shipment to Hong Kong drug dealers.

#### Shenzhen Welcomes UK Firms To Build Subway

HK1802050794 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1133 GMT 17 Feb 94

[By reporter Xie Zuan (6200 9449)]

[Text] Hong Kong, 17 Feb (ZHONGGUO TONGXUN SHE)—Shenzhen Vice Mayor Li Chuanfang said on a public occasion in Hong Kong this morning that the Sino-British row on Hong Kong's constitutional affairs will not affect British consortia's bidding for economic projects in Shenzhen.

Li Chuanfang said that to further improve transportation facilities and meet the need of economic development, Shenzhen has thoroughly begun preparation for building a subway system. Because the subway system is a huge project which needs a large amount of funds and

technology, Shenzhen City Government welcomes domestic and overseas consortia in bidding for the projects of the subway.

A reporter asked whether the Sino-British row over Hong Kong's constitutional affairs will affect British firms' bids for those projects.

Li Chuanfang said that Shenzhen City Government will give equal treatment to domestic and overseas consortia which are interested in bidding for those as well as other construction projects. She said that as far as she understands, economic and political issues cannot be lumped together for discussion, and that so long as the consortia meet the bidding requirements, they may win the tenders.

#### Grenade Thrown in Guangxi Train Station

HK2402013394 Hong Kong MING PAO in Chinese 23 Feb 94 p a12

[By staff reporter: "Depressed Man Who Failed to Buy Train Ticket Ignited Grenade in Nanning Railway Station, Injuring 24 Persons"]

[Text] After the recent tragedy in Hunan's Hengyang Railway Station, in which several dozen workers were trampled to death as a result of overcrowding, Guangxi's Nanning Railway Station, another transit point for the tides of job seekers in the southwest, witnessed a grenade explosion which injured 24 persons.

A senior government official from the Guangxi Autonomous Region told this newspaper that the explosion took place at 8:35 yesterday morning in the rain shelter outside Nanning Railway Station, and that the man involved was Liu Yong, a 44-year old native of Jiangsu. He wanted to buy a ticket to return to Jiangsu that day but failed to get one and thus became depressed. With the very crowded conditions of Nanning Railway Station, he became very annoyed, subsequently "lost control of his faculties," and ignited a grenade which he had been carrying with him, injuring 23 individuals and himself.

A witness on the scene, Wei Yanhua, a cleaning woman working for the train station, was quoted as saying that, before the explosion, she saw Liu Yong take a rusty grenade out of his brown bag and begin to play with it, and she approached him to ask him to stop. Liu Yong said that it was only a toy and would not explode. As Wei Yanhua was on her way to report the case to the police, the grenade exploded.

According to the Nanning police, they still have no idea as to where Liu Yong got the grenade. Liu Yong himself was hurt rather seriously but all the others suffered only minor or slight injuries.

Nanning police said that Liu Yong was a "person who had sneaked in from outside," who "might suffered from mental illness."

## REGIONAL AFFAIRS

FBIS-CHI-94-037  
24 February 1994

The senior official from the Guangxi Autonomous Region Government said that, after the incident took place, the Liuzhou Railway Station Public Security Department and the relevant departments of Guangxi Region and Nanning City have already strengthened the measures to divert passengers in the big railway stations such as Nanning and Liuzhou. At present, Liuzhou and Nanning Railway Stations are very crowded. These railways are the only travel option for the "Sichuan army," "Guizhou army," and "Yunnan army" as they flock to Guangdong and Guangxi to "work."

More than 10,000 passengers currently depart from Nanning Railway Station every day. In addition, the regional transportation department organizes buses to help divert the passengers.

The senior official said that, since the spring festival, passenger trains coming in and out of Guangxi have been seriously overloaded. A great number of workers have traveled a great distance, and compartments which according to the regulations can only accommodate 200 people have often squeezed in 500-600. This has made the air inside the compartment very dirty, to the extent that some passengers have become distraught and some have even jumped out of the train in order to breathe. (According to statistics, from 1 to 6 February, 19 passengers in Guangxi became distraught, three passengers died, one passenger was injured, and five passengers disappeared. It is believed that the number of passengers who became distraught at other times but failed to be counted would exceed this number.)

This leading official also said that they have heard nothing about the tragedy in Hunan's Hengyang Railway Station, in which people were trampled to death on the sixth day of the Lunar New Year, and that they have not received any circulars from the relevant quarter.

### North Region

#### **Beijing Executes Five for Murder**

*SK2202034394 Beijing BEIJING RIBAO in Chinese  
30 Jan 94 p 1*

[Text] On 29 January, the municipal intermediate people's court tested and verified, according to laws, five criminals who premeditatedly killed persons and two criminals who premeditatedly hurt others. These criminals were escorted to the execution ground and were shot.

These seven criminal offenders were as follows: Zhou Tonglun, a temporary worker at Dazhong electrical appliance plant of Fengtai District, attempted to kill, but seriously maimed, a young woman. Xie Gongran, a peasant at Zhuangnian Village of Baoshanshi Township of Huairou County, raped and killed a woman. Zhang Jinchao, a worker at Xinhua printing house, killed his sister-in-law due to household dispute. Ge Yanyu, an unemployed person in the municipality, killed a young

woman. Zhang Jianguo, a worker at the No. 5 pharmaceutical plant of Beijing, killed two persons and hurt two persons. Wang Chengke, a worker of No. 1 installation team of the boiler and freezing company under the equipment installation company of Beijing Municipality, created disturbances and killed a person after getting drunk. Ma Yongge, an employee of Shuanghe farm of Gannan County of Heilongjiang Province, beat to death a citizen who tried to stop Ma from engaging in illegal activities.

While working as a temporary worker at the electrical appliance plant, Zhou Tonglun, 22, attempted to pay court to a young woman, 22, called Wei who was also working at the plant and was rejected. So, Criminal Zhou premeditatedly killed Wei and her boyfriend called Feng. On 10 February 1993 at Dazhong electrical appliance plant of Fengtai District, Criminal Zhou caught Wei off guard and used a kitchen knife to stab Wei in the head 10 times. He later chased Feng, but failed to catch up with him. After being given emergency treatment, the young woman was fortunately free from danger, but became seriously maimed.

Xie Gongran, 33, committed adultery with his sister-in-law called Zheng for a long period of time. Xie was not happy when Zheng became estranged. On 13 June in 1993, Xie rushed into Zheng's house, damaged Zheng's television set and video recorder, and beat Zheng to death with an iron tube.

The municipal intermediate court maintained: The above seven criminals killed and hurt persons with tools and seriously damaged the social order of the capital. The evil criminal nature and the serious consequences of the cases have brought extreme damage to the society and have made the people feel aggrieved.

#### **Beijing Arrests Passengers Carrying Narcotics**

*SK1902070794 Beijing BEIJING RIBAO in Chinese  
2 Feb 94 p 3*

[Text] A foreign tourist illegally carrying more than 120 grams of marijuana was arrested at the Shoudi Airport's security inspection station. This is the first time that the station has cracked a case of a passenger carrying marijuana.

At about 1930 on 28 January, when this passenger was receiving the security inspection, the exit alarm bell went off. Li Jianhua, an inspector at the second section of the security inspection, found that the cigarette cases that the passenger carried were full of a solid yellow material and another cigarette case had six cigarettes without tobacco inside. Through the laboratory test, the customs house maintained that the solid yellow substance is marijuana.

This passenger is from Canada and his name is Bhagg. He is a foreign teacher at a certain institute in Beijing. He carried the marijuana and attempted to take it himself.

On 1719 on 31 January, the security inspection station of the Shoudi International airport discovered another passenger illegally carrying marijuana.

The alarm went off when the passenger went through the international personal safety inspection section. Inspector Gong Fanying found 20 grams of marijuana in his socks. This passenger was from Xinjiang. He planned to take flight No. TK 753 on the same evening to Turkey via Pakistan. It was reported that this is the fourth case [as published] of illegal possession of narcotics discovered at the security inspection station of the Shoudi International Airport.

#### **Laborers 'Pouring' Into Beijing Reach Almost One Million**

*HK2302100094 Beijing ZHONGGUO XINWEN SHE in English 0806 GMT 23 Feb 94*

[Text] Beijing, February 23 (CNS)—The total number of labourers pouring into Beijing from elsewhere in the country is close to one million and Beijing Railway Station is seeing 60,000 to 70,000 of them arriving from all directions every day in recent times, according to the municipal public security bureau.

As long ago as 1986, a large number of labourers from 25 provinces and cities in China began pouring into the capital in search of work in such industries as construction, environmental work and coal. Of the 1.5 million [figure as received] labourers coming from elsewhere, nearly one million of them live in the capital on a more or less permanent basis. Some 800,000 of them are engaged in various kinds of economic activities with 300,000 of them working in construction on such projects as the construction of buildings, 81 flyovers and 3,000 kilometres of roads. Such labourers from outside the capital are also engaged in production, processing and repair services.

Apart from those engaged in the urban area, there are yet another 200,000 of them in the suburban areas engaged in agriculture, hand-finished products and domestic service.

#### **Fewer in Beijing Go Abroad To Study at Own Expense**

*HK2102152994 Beijing ZHONGGUO XINWEN SHE in English 1404 GMT 21 Feb 94*

[Text] Beijing, February 21 (CNS)—There has been a drop in the number of Beijing students of college-level and above going abroad to study at their own expense with 2,800 of them being approved last year down by 1,063 last year from the number in 1992 and by 2,031 from the number in 1991, according to the municipal Higher Education Bureau.

One of the reasons for this fall is the deepening of reform and the widening of opening to the outside world which has lead to a number of students seeing their ability to earn money in the Mainland and chances to

fully exploit their talents there. In past years, some people felt that there was no role for them in the Mainland and that intellectuals were not adequately rewarded. Going abroad, therefore, was seen as a way out of this situation. Now, many people originally planning to go abroad question why they need to do so since there are now ways to employ their talents at home.

Another reason for the drop is the increasing rise of expenses involved in going abroad to study and the difficulties faced by foreign countries in taking so many Chinese students. Some of the foreign countries which in the past had taken in many Chinese students have now adopted restrictive measures in light of depressed economies and social problems.

Despite the fall in the number of students going abroad at their own expense, students with post-graduate qualifications constituted 27 percent of such students. In 1993, however, the ratio increased to 36 percent and in the first half of last year, among the students going abroad from Beijing University, Qinghua University and the Beijing Medical Sciences University, those with post-graduate qualifications made up over 40 percent.

#### **Beijing Improves Postal Services in 1993**

*OW2202141894 Beijing XINHUA in English 1304 GMT 22 Feb 94*

[Text] Beijing, February 22 (XINHUA)—Letters are now delivered to all homes in the capital, and about three million Beijing citizens can read their daily newspaper one or two hours earlier than the previous year.

That is part of the achievements of the Beijing Postal Administration last year. Officials said that Beijing's postal services were greatly updated during 1993.

Eight new post offices were built and another 23 enlarged and renovated, expanding the number of post offices to 447.

In addition, an in-city express mail service, an instant telegraph service and a system of ordering newspapers by telephone were all added to the list of services available in Beijing.

Registered mail has been able to reach Taiwan since last year after years of trying to arrange this.

Officials said that fixed assets investment totalled 260 million yuan last year in such projects as a postal hub capable of handling 110,000 pieces of mail each day, which was completed last year.

Zhou Huan, director of the Beijing Postal Bureau, told XINHUA that this year Beijing will build more postal outlets and other working sites with government funds and capital scheduled to be imported from abroad.

**Beijing Makes Progress in Housing Reform**  
*OW2402124294 Beijing XINHUA in English 0654  
 GMT 24 Feb 94*

[Text] Beijing, February 24 (XINHUA)—Beijing has made much headway in reform of the housing system, on the basis of a four-year experiment.

The reform, begun in 1988, involves millions of citizens in the capital, including people in government departments and army units here.

The reform includes housing funds collection both by the government and work units, setting up accumulation funds by employees, raising house rents, putting houses on sale, and building houses with cooperative funds.

Its main aim is to step up commercialization of housing.

By the end of 1993, this capital city had sold 150,000 apartments with floor space of 9 million square [sq] meters. Some 100,000 of these were sold last year—four times more than the total of the previous four years.

The city has received 1.7 billion yuan (about 200 million U.S. dollars) in all from the sales.

It has also reaped 400 million yuan (about 47 million U.S. dollars) from raising house rents, some 120 million yuan (over 14 million U.S. dollars) of this increases being received in 1993.

The rent of houses is usually raised by over 0.4 yuan per square meter per month, or 0.55 yuan per sq m. in suburbs and one yuan per sq m. for new houses.

In addition, 1.5 million people in Beijing have joined a housing accumulation fund which has collected 80 million yuan (nearly 10 million U.S. dollars).

The city plans to further expand the housing reform in the fields of establishment of housing accumulation funds, house sales and rent raising in line with the cost of house building and increases of people's incomes.

**Beijing Sees More 'Public-Run' Performing Troupes**  
*OW2302095194 Beijing XINHUA in English 0826  
 GMT 23 Feb 94*

[Text] Beijing, February 23 (XINHUA)—China's capital has for the first time more public-run cultural and performing art troupes than governmental ones, according to officials of the municipality.

By the end of last year the number of nongovernmental cultural and art troupes in Beijing exceeded 20.

The nongovernmental troupes are run by diverse entities, ranging from state industrial enterprises, institutions, collective troupes and individual actors and actresses.

Such cultural and art troupes, staffed by 30 to 60 people each, specialize in different art forms, such as music, dance, opera and folk arts.

Three of the major enterprises that manage cultural and art troupes of their own are the Capital Iron and Steel Corporation, Beijing Yanshan Petrochemicals Corporation and Beijing International Art and Literature, a culture and art-oriented enterprise.

Such enterprise-run cultural and art troupes, known for their flexible management system, have appeal for graduates of art schools as well as noted actors and actresses such as Hu Xiaoqin, Yang JiuHong and Zhang Zhenfu.

The new types of cultural and art troupes, by exercising self-autonomy, have cut to the minimum red tape and rigidity in management, which plague government-run cultural and art troupes.

Meanwhile there has emerged a surge of marriages between enterprises and cultural and art troupes, the two parties sharing equally profits and losses.

An official from the local culture bureau said that that the public-run cultural and art troupes have ended the state monopoly in this sphere and will help enrich the cultural life of the capital, as the practice better taps the initiative and creativeness of the public.

But he also said that the overall artistic level of the nongovernmental cultural and art troupes is still inferior to that of those run by the government.

**Water From Huang He Diverted to Hebei Province**

*OW2202145394 Beijing XINHUA in English 1411  
 GMT 22 Feb 94*

[Text] Shijiazhuang, February 22 (XINHUA)—Water from the Yellow River [Huang He] is now flowing into Cangzhou and Hengshui cities in the thirsty North China province of Hebei.

This is part of the water diversion project to quench the thirst of industries and agriculture in this water short province.

According to the decision by the State Council, pending the water diversion project from Chang Jiang, an estimated 500 million cubic meters of Yellow River water would be diverted to Hebei for the next 15 years.

To date, the project has progressed smoothly. More than 100 million cu m of water have been diverted from the Yellow River into the cities of Cangzhou and Hengshui on the vast "North China" plain.

The water diversion project was proposed jointly by the Ministry of Water Resources of China and the provincial governments of Hebei and Shandong.

Seriously suffering from water shortages, most of the farmland on the plain averages an output of only slightly more than 1,500 kg of wheat per ha.

Moreover, the over-exploitation of groundwater resources has lowered the water quality and has seriously hindered the development of both industry and agriculture.

Ye Liansong, governor of hebei, pointed out that the water diversion project from the Yellow River to Hebei could yet not solve the problem thoroughly, as the rate of flow of the Yellow River has decreased year-by-year.

He said that the only way to supply enough water for arid Hebei is to divert water from the lower reaches of the Chang Jiang River.

#### Inner Mongolia Reviews 1993 Progress

*SK2002094294 Hohhot NEIMENGGU RIBAO in Chinese 26 Jan 94 p 1*

[By Li Guirong (2621 2710 2837): "Our Region Achieved Great Progress in Last Year's Reform, Opening Up, and Economic Construction"]

[Text] Reporter learned from the new briefing held by the regional government on 25 January that last year our region persisted in regarding economic construction as the central task, conscientiously implemented the central authorities' series of major policy decisions and plans on strengthening and improving macroeconomic regulation and control, seized the opportunity to deepen reform and accelerate development, and achieved major progress in reform, opening up, and economic construction.

In 1993, the major characteristics in our region's national economic development were:

1. The total social supply increased comprehensively, and the primary, secondary, and tertiary industries steadily developed. According to initial estimates, the gross domestic product of the whole year was valued at 45.516 billion yuan (calculated in terms of the prices of that year and the rate is calculated in terms of constant prices, similarly hereafter), up 10.6 percent over the previous year, of which, the increased value of the primary industry may reach 14.77 billion yuan, up 5 percent over the previous year, and the rate of increase was quicker than the national average by 1.3 percentage point; the increased value of the secondary industry may reach 18.8 billion yuan, up 16.4 percent over the previous year; and the increased value of the tertiary industry may reach 11.946 billion yuan, up 9.7 percent over the previous year. A bumper agricultural harvest was reaped despite the year of serious disasters, the total output value of agriculture amounted to 19.5 billion yuan, up 6 percent over the previous year, and the total grain output registered an all-time record to reach 11.08 billion kg, up 5.9 percent over the bumper harvest year of 1992; the total number of livestock during the year

was 55.777 million, the highest record in history, and the number of livestock in stock at the end of the year reached 42.47 million, an increase of 786,000 over the year-end figure of the previous year. Fairly rapid increases were made in industrial production, with the total industrial output value reaching 50.5 billion yuan, up 12.78 percent over the previous year, and the production of the nonstate industrial sector, in particular, developed speedily and increased by 26.64 percent over the previous year, which was quicker than the rate of increase of the state-owned industrial sector by 21.8 percent.

2. Social demands increased rapidly, particularly investment demands increased speedily, and consumer demands were steady and active. Based on initial statistics, the region's total investments in fixed assets amounted to 21.056 billion yuan, up 41.09 percent over the previous year. Of these investments, 13.136 billion yuan were used for state-owned capital construction projects, up 43.83 percent, and 4.107 billion yuan were for equipment replacement and technical updating, up 58.33 percent, all setting the best record in history. The domestic markets were stable and invigorated. The annual retail sales of commodities in society totaled 21.968 billion yuan, up 17.5 percent over the previous year. Of this, the retail sales of consumer goods increased 19.56 percent.

3. Foreign economic relations were further expanded and the use of foreign capital increased by 100 percent. Based on initial statistics, the whole region's volume of foreign import and export trades totalled \$1.2 billion, up 28.29 percent over the previous year, an all-time record. Of this, the volume of imports totalled \$550 million, up 59.42 percent; and the volume of exports totalled \$650 million, up 9.95 percent. Newly registered "three types of foreign-funded enterprises" numbered 416, an increase of 1.25 percent over the previous year.

4. Financial revenue rapidly increased and the financial order improved noticeably. The whole region's 1993 financial revenue from the localities is expected to reach 5.5 billion yuan, up 41.02 percent; and financial expenditures, 8.76 billion yuan, an increase of 21.6 percent over the previous year, shows that the growth of financial revenue is quicker than the growth of financial expenditures by 19.42 percent. Financial order improved noticeably, the phenomenon of arbitrarily collecting unwarranted funds and lending loans was checked, and the total urban and rural savings deposits amounted to 23.214 billion yuan, up 29.64 percent over the previous year.

5. The incomes of urban and rural residents steadily increased, and their living standards were further enhanced. Based on initial statistics, the total payroll of workers across the region in 1993 amounted to 10.971 billion yuan, up 21.34 percent over the previous year. Of this, the wages of workers of state-owned units increased 22.76 percent. The average wage of workers was 2,772 yuan, an increase of 19.59 percent over the previous

year. The average per-capita income for living expenses of urban residents throughout the region was 1,712 yuan, up 27.3 percent over the previous year. After price factors were deducted, the actual increase was 11.6 percent. The average per-capita net income of peasants and herdsmen reached 829.1 percent, up 15.3 percent. When the price increases were factored in, the actual increase was 3.6 percent. Of this, the average per-capita net income of peasants was 777.9 yuan, up 15.7 percent; showing an actual increase of 3.8 percent when the price factors were excluded; and that of herdsmen, 1,164.1 yuan, up 13.9 percent, showing an actual increase of 3 percent when the price factors were deducted.

6. Definite achievements were made in family planning work, and population growth was effectively brought under control. Based on calculations made in the sample survey on the changes in population, the whole region's birth rate in 1993 was 18.48 per thousand, the mortality rate was 6.83 per thousand, the natural population growth rate was 11.65 per thousand, and the region's year-end population figure was 22,324,100, an increase of 258,600 people, or 1.17 percent, over the year-end figure of the previous year.

In 1993, our region's economic situation was good on the whole. However, prominent problems still existed in the economic life, which were mainly manifested in the economic development gap between our region and the whole country and the existing problems, namely, the shortage of funds, the management difficulties of enterprises, poor economic efficiency, irrational structure, and the high commodity prices on the market.

**Inner Mongolia Official Speaks at Court Meeting**  
**SK2402072794 Hohhot NEIMENGGU RIBAO in Chinese 29 Jan 94 p 1**

[By reporter Wang Dongmei (3769 0392 2734) and correspondent Wang Yongping (3769 3057 1627); "Resolutely Try Major and Appalling Cases and Actually Safeguard Social Stability"]

[Text] For now and the foreseeable future, people's courts at all levels in the region should consciously uphold the principle of "taking a two-handed approach and being tough with both hands" and actually safeguard social stability in order to provide an effective legal guarantee for accelerating the region's reform and opening up. This was stressed by Qian Fenyong, deputy secretary of the regional party committee, at the 24 January regional meeting of presidents of intermediate people's courts.

The fundamental tasks on the judicial work of people's courts in 1994 are: Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidelines of the Third Plenary Session of the 14th CPC Central Committee, people's courts should continue to deal strict blows to criminal offenses, make greater efforts to try major and

appalling cases, particularly major economic cases, energetically regulate the relations between different economic sectors, actually safeguard the legitimate rights and interests of citizens, legal entities, and other organizations, strict enforce laws, enhance the level of judicial work, help safeguard social stability, help strengthen administrative honesty, and help accelerate the establishment of the socialist market economic structure.

Qian Fenyong said in his speech: This year, reform, opening up, and economic construction will enter a new stage of all-round acceleration. The more reform and opening up is deepened, the faster the economy will develop, and the more important the endeavor of safeguarding social stability will become. Establishing the socialist market economic structure constitutes a large-scale readjustment of economic interests in the whole society. Along with the increase in the dynamics of reform, some new contradictions and problems will emerge, and the factors affecting social stability will probably increase in a certain period. To successfully safeguard social stability, people's courts must successfully exploit all their functions of dealing blows to crimes, regulating the relations between different sectors of the economy, and protecting the legitimate rights and interests of the people. In the course of dealing strict blows to crimes, people's courts at all levels should make greater efforts to try economic cases, civil cases, administrative cases, accusations, and appeals and should consciously apply the legal means to standardize market behaviors, to regulate the relations between different sectors of the economy, and to appropriately tackle all sorts of contradictions in society. People's courts should successfully safeguard social stability in basic and essential fields.

He said: Success or failure in the anticorruption campaign has a direct bearing on the success or failure in building socialism with Chinese characteristics. For now and in the foreseeable future, a number of lawsuits on major and appalling economic cases are and will soon be soon brought to people's courts for lawsuit. Successfully trying these cases and strictly punishing a number of corrupt elements according to the law constitutes an important sign of the in-depth launching of the region's anticorruption campaign as well as a hot spot closely related to the masses. People's courts at all levels must now pay attention to trying economic cases, major and appalling ones in particular, by regarding it as a key task. Moreover, major and appalling cases which have strong repercussions in society and which concern the masses must be handled and punished resolutely, no matter what interferences arise.

Attending the meeting were Wang Xiumei, vice chairman of the regional people's congress standing committee; Yun Bulong, vice chairman of the region; and other pertinent leaders.

**Inner Mongolia Executes Convicted Murderers**

*SK1902034494 Hohhot NEIMENGGU RIBAO in Chinese 22 Jan 94 p 1*

[Summary] On 17 January, the Baotou city intermediate court held a rally to publicly sentence Zhang Wu and Deng Cunjun to death according to the laws. Major thefts were perpetrated by Zhang Wu, Zhao Waixin, and Wang Sheng, who used to be laborers at the Communist Youth farm of Baotou city's suburban district. From October 1992 to February 1993, they successively hired small four-wheeled tractors to steal 53.23 tons of steel products, such as square steel and skelp, from the seamless steel tube plant under Baotou Iron and Steel Company. The value of these stolen goods totaled 114,600 yuan. They earned more than 87,990 yuan from selling the stolen goods.

Deng Cunyun, Yao Guangli, and Li Aijun, identified as robbers and murderers, ganged up with one another in Datong of Shanxi Province. They took a taxi run by with a driver near the No. 3 hospital of Datong city on 29 April 1993. They caught the driver off guard, strangled him with a nylon rope, killed him, and robbed him of 1,550 yuan in cash and other items. They also pushed the taxi with the corpse inside into a hole, poured petroleum on it, and burned it down. On 26 September, they fled to Baotou city. They murdered a taxi driver in front of Golden Eagle Hotel at the city's Kun District. They robbed the taxi driver 150 yuan in cash and some other items. They threw the corpse in a fruit garden and ran away.

The Baotou city intermediate court sentenced them to death after the first ruling. The second ruling by the regional higher court dismissed the appeals filed by the defendants and upheld the decision of the original trial. Zhang Wu, Zhao Waixin, Wang Sheng, Deng Cunjun, and Yao Guangli were executed on the morning of 17 January.

**Inner Mongolia Sentences Thief, Murderer To Death**

*SK2402071794 Hohhot NEIMENGGU RIBAO in Chinese 29 Jan 94 p 1*

[Text] The Hohhot City Intermediate People's Court held an open trial on 26 January sentencing Liu Jianjun, a thief, and Cao Yukuan, intentional murderer, to death according to law.

Liu Jianjun, Wang Wenzhi, Li Wansen, Li Suanlao, Gao Baguang, and Yang Heping, who were guilty of stealing, are all peasants. From August 1989 to April 1990, these persons committed crimes alone or in a group on 54 occasions. They broke into the warehouses of 47 residences, taking seven motorcycles, seven bicycles, and a large quantity of articles for daily use, including sheep, flour, rice, and clothes, totaling over 52,900 yuan. Of these cases, 45 cases were committed by Liu Jianjun independently or jointly, and stolen money and property came to a total of 51,100 yuan.

Cao Yukuan, who committed intentional murder, was a temporary worker at the Hohhot City Construction Engineering Corporation. On the night of 19 July 1993, Cao Yukuan, in collusion with another criminal, Guo Yongdong, attempted to seek revenge by killing the manager of the corporation, named Shi. Carrying military bayonets, these two criminals went to Manager Shi's house. Seeing that Manager Shi was not at home, they broke into the warehouse to stab the daughter to death, with over 10 stabs to her chest, stomach, and legs. They also stabbed and wounded Shi's wife named Guo and a neighbor by the name of Shi, who rushed to the scene to save Shi's daughter after hearing her cries for help.

Upon pronouncement of the court decision in the first ruling of the Hohhot City Intermediate People's Court, the accused refused to accept the referee's ruling and lodged an appeal. In the second ruling by the regional higher people's court, the appeal was rejected, and the first court's decision was upheld.

An additional 22 criminals were respectively sentenced on 26 January to death with a two-year reprieve or to life imprisonment.

**Shanxi Campaigns Against Endemic Diseases**

*OW2402050794 Beijing XINHUA in English 0341 GMT 24 Feb 94*

[Text] Taiyuan, February 24 (XINHUA)—The rampant spread of endemic diseases in north China's Shanxi Province has now been brought under control thanks to the joint efforts of the local government and people.

The province is one of those blighted by a high incidence of endemic diseases such as Kaschin-Beck, Keshan, undulant fever, fluorine poisoning and iodine deficiency.

A recent survey conducted by the provincial endemic disease prevention and cure group shows that out of 118 cities and counties of the province, 107 suffer from such diseases and that in some counties the incidence of endemic disease has picked up sharply over the past few years.

It also shows that in Heshong and Qinyuan counties, the number of patients suffering from iodine deficiency, gas fluorine poisoning and Kaschin-Beck disease reached 120,000, accounting for 42 percent of the total population of these counties.

Analysts here attribute local poverty and economic underdevelopment partly to the spread of endemic diseases. Over 30 percent of poor families had fallen on hard times due to chronic diseases, endemic diseases in particular.

Analysts say that endemic diseases here mainly attack the bones, joints and hearts of children and women of child-bearing age.

The survey indicates that among 2,853 primary and high school students in Heshong county who took physical examinations, the incidence of goiter was as high as 23.87 percent.

And in one village, some 8.8 percent of school-age children were deprived of going to school and 9.4 percent of primary school students were unable to graduate due to mental retardation caused by Keshan disease.

Figures show that of 7,172 children aged between seven and 14 in 24 counties heavily hit by undulant fever, the incidence rate of goiter due to iodine deficiency amounted to 32.94 percent.

Despite efforts to improve drinking water quality and heating facilities in the province, about two million people still live in high gas and fluorine poisoning areas.

The provincial government and party committee have paid ever closer attention to the prevention and control of endemic diseases and a range of forceful measures have been adopted since last year.

The move aims to curb the further spread of the diseases and bring the incidence rate under control at a level stipulated by the state.

Prevention and cure of endemic diseases has now been focused on strengthening the leadership and active participation of the whole society, according to local officials.

In May 1993, a provincial conference on controlling endemic diseases was called, and relevant rules and regulations were framed to reduce transmissions of the diseases among local people.

The leading bodies and offices in charge of prevention and cure of endemic diseases have now been reorganized in 11 prefectures and cities, and a sound responsibility system has also been set up.

The local government at the same time has set aside hundreds of millions of yuan to boost the fight against endemic diseases from the beginning of 1994.

Starting from 1994, it will add one million yuan each year to the special 1.4 million yuan disease prevention fund. It will provide 100 million yuan in the coming three years to improve the drinking water in poverty-stricken areas.

Another six million yuan will be channeled toward updating the research equipment and facilities for preventing the diseases. A pharmaceuticals production center and a foundation are expected to be built and go into operation within the year.

An ample contingent of medical workers specially trained for prevention of endemic diseases is being built in the province and preferential policies have been formulated for promotion and pay for endemic disease specialists and medical workers.

Emphasis is being placed on spreading knowledge of endemic disease prevention and control and mobilizing the masses to fight against the diseases.

A book on prevention and cure of the endemic diseases was published by the provincial medical department and educational commission and will be used for teaching in primary and high schools throughout the province this year.

#### Tianjin Secretary, Mayor Visit Workers

SK2402095294 Tianjin TIANJIN RIBAO in Chinese 30 Jan 94 p 1

[Text] Yesterday, municipal leading comrades, including Gao Dezhao, Zhang Lichang, and Li Shenglin travelled separately to visit enterprises and salute the families of workers with difficulties in the municipality and to send the warmth and concern of the party and the government to the masses of people on behalf of the municipal party committee and government so that all workers will have a happy and harmonious Spring Festival.

On that morning, Gao Dezhao, secretary of the municipal party committee, Zheng Zhiying, member of the standing committee of the municipal party committee, and Pan Yiqing, vice chairman of the municipal people's congress standing committee, travelled to a timepiece plant and held a forum with the plant leaders and workers' representatives. Gao Dezhao attentively listened to the enterprise production situation and asked in detail about the income and housing of workers and the educational situation of their children. Affected by some factors, such as the market, this timepiece plant, which was once a major profit and tax delivery plant of the municipality, experienced a slide in economic returns and suffered losses for many years. The enterprise leaders led the workers to deeply carry out reform, worked hard, and enabled the plant to witness an upturn. The average per capita income of workers rose from 2,200 yuan in 1991 to 3,400 yuan in 1993. In the form of chatting domestic trivia, Gao Dezhao held cordial talks with the workers. He said: We are pleased to hear that you have increased your income. The Spring Festival will come soon. The municipal party committee and the municipal government have been concerned about the quality of life of the people throughout the municipality, particularly those enterprises and workers with temporary difficulties. Our purpose of coming here to see you today is to manage this matter of prime importance to you and to let the broad masses of workers across the municipality to have ease of mind and spend the Spring Festival happily. Your plant is an enterprise with difficulties, but it is an enterprise with hopes which will have a favorable turn for the better. From your experience, we have gained this enlightenment: Some enterprises with temporary difficulties may have a turn for the better, and may free themselves from difficulties, and revitalize as long as their higher and lower levels make concerted efforts and unceasingly deepen reform. During this year, all enterprises should regard deepening reform as the

main task, do well in all aspects, and enable more enterprises to vitalize and more workers to become prosperous. Gao Dezan said: Each and every enterprise, unit, and department, and all sectors across the municipalities should consciously submit themselves to and serve the overall situation of the whole party's work. That is to seize the opportunity, deepen reform, expand opening up, promote development, and maintain stability. We must firmly foster the ideology of relying on reform to promote development, correctly handle the relations of reform, development, and stability, promote the practice of doing solid work, speaking the truth, boosting enthusiasm for work, and achieving actual results in an effort to maintain and promote a sustained, speedy, and sound economic development, and social and political stability and unity in our municipality.

Gao Dezan said: Recently, Comrade Jiang Zemin and Li Peng stressed repeatedly: "Things that have a bearing on the people's basic life and immediate interests are major matters of prime importance." Party committees and governments at all levels across the municipality and all working departments should conscientiously implement this directive, attach prime importance to these major matters, pay close attention to solving the issue on the immediate interests of the broad masses of people with a high sense of responsibility and great energy, and allow no carelessness or dereliction of duty of any kind. At present, it is necessary to realistically attend to the work of caring for the well-being and doing practical things for the masses during the Spring Festival period and concentrate energy on managing well all things we should manage. We should give special care to the living of resigned and retired cadres, workers, families of revolutionary martyrs and servicemen, people enjoying government subsidies, urban and rural workers with difficulties, households taking relief, and childless old people and guarantee that no household will have great difficulties in living. Around the Spring Festival period, we should attend to the issue of "nonstaple foods," guarantee market supply, strengthen price management, and stabilize the market prices. Leading cadres at all levels should step up efforts to make this work a success with a sense of great responsibility and initiative. Leaders of departments, localities, units, and enterprises that fail to do this work well should be held responsible for the consequences and called to account if problems arise.

Gao Dezan also went to see Zhang Fenglin, a worker of Tianjin Canvas Plant. Zhang Fenglin has been elected municipal model worker for the third time. Serving as a lathe operator for more than 20 years, he never took sick leave until he sprained his back recently. Gao Dezan held his hands firmly and said: Our Tianjin's working class has made tremendous contributions to the whole country and Tianjin's development. The party and government will never forget you. The working class is the main force in deepening reform and developing the economy. Model workers are also the same. We should give them greater attention and good care. Gao Dezan

hoped that Zhang Fenglin would feel at ease while taking rest and nourishment to regain his health and wished him a happy Spring Festival. Gao Dezan urged the plant leaders to arrange work for Zhang Fenglin after his recovery and take more care of his quality of life.

At 0900 in the morning, Mayor Zhang Lichang and Zhang Guangwen, secretary general of the municipal government, traveled to the municipal woolen sliver plant. As soon as they got out of the car, they went directly to the workshop to visit workers at the forefront of production. Zhang Lichang cordially shook hands and held talks with the workers. He asked in detail about their living conditions, particularly about the issuance of their Spring Festival subsidies. On hearing an affirmative reply, Zhang Lichang was very pleased and smiled. Zhang Lichang also held a forum with the plant workers and directly listened to their opinions about the municipal government. Zhang Lichang said: Our party's fundamental purpose is to serve the people wholeheartedly and the final aim is to improve the living standards of the masses. Leading cadres at all levels should always care for the hardships of the masses and unceasingly enhance awareness in serving the people. In doing our work, we should begin with caring for the living of the masses and end at raising the masses' living standards. All our leading cadres came from the masses. There is no reason for them to forget or cut themselves off from the masses. They should always keep the well-being of the masses in mind, speak for them, and support them. Leading cadres at all levels, particularly enterprise leading cadres, should emancipate the mind, change ideas, expand the degree of reform, do a good job in enterprise grafting, readjustment, and transformation, raise economic efficiency, and improve their living standards. Enterprises running at half capacity or brought to a standstill should use their brain, try by all possible means to find work for their workers, guarantee their basic income, let them feel ease of mind and have enthusiasm for work, and make contributions to promoting Tianjin's development.

On hearing that although the woolen sliver plant suffered deficits, its workers still have an unyielding spirit, Zhang Lichang praised them repeatedly and said: The Tianjin people have the spirit of acknowledging their disparities but never admitting that they have been defeated. The people of Tianjin are not stupid and the level of cadres across the board are not low. As long as we mobilize the enthusiasm of the masses, Tianjin will have great hope in development.

Zhang Lichang also travelled to home of Xing Songshi, a retired model worker of Dongfeng Building Materials Plant, to give him a salute. He sincerely asked Xing Songshi about his living conditions, income, health, and application for medical expenses after his retirement. He said: Tianjin has a great number of model workers who worked quietly and made contributions at their ordinary posts. Although they have retired, the party and the people will not forget them. Cadres at all levels should show concern for and give them great care. On hearing

that Xing Songshi is not in good health, Zhang Lichang said to him with great concern: You should see a doctor quickly and take care of yourself. Executive Vice Mayor Li Shenglin saluted workers at the state-run Tianjin printing and dyeing plant. He said: Developing production, solving the difficulties of workers, improving their living conditions, and raising the living standards are our urgent tasks. We should take advantage of this opportunity to send warmth to all households, further mobilize all workers to follow the path of reform, and urge them to improve themselves with their own efforts. Li Shenglin also visited Ma Fengqian, a worker of quartz watch plant with difficulties.

#### Tianjin Secretary Views Urban Collective Economy

*SK2402032494 Tianjin TIANJIN RIBAO in Chinese  
27 Jan 94 p 1*

[Excerpt] On 26 January, the municipal government held a meeting on urban collective economic work. The meeting profoundly implemented the guidelines of the Third Plenary Session of the 14th CPC Central Committee and the Second Plenary Session of the Sixth Municipal Party Committee and arranged for the urban collective economic work for this year in line with the demands set by the municipal economic work conference.

Gao Dezhan, secretary of the municipal party committee, made an important speech at the meeting. Vice Mayor Zhang Haosheng made a work report.

Gao Dezhan pointed out in his speech: We should further enhance our ideological understanding and strengthen the sense of urgency and the sense of responsibility for accelerating the development of the collective sector of the economy. Going all out to develop an urban collective economy constitutes not only an important move to accelerate China's economic development, but also plays a positive role in promoting the development of the socialist market economy. Since the third plenary session of the 11th CPC Central Committee, particularly over the past several years, Tianjin's collective economy has developed greatly, and the economic strength of districts and neighborhoods has been enhanced. Practice shows that urban collective economy has already become an important component part of Tianjin's national economy. It should be noted, however, that the development of Tianjin's urban collective economy is not good enough. We should keep sober-minded, further enhance our sense of urgency and our sense of responsibility, pioneer new ideological trains, and adopt energetic measures and every possible means to create a new situation in urban collective economy. We should fully understand the importance of accelerating urban collective economy under the new situation. First, urban collective economy constitutes the major force of Tianjin's national economy, plays an irreplaceable role in invigorating the economy and accelerating the development, and has already become one of the new important

economic growth points of the municipality. Second, accelerating the development of the urban collective economy is conducive to improving the living standards of urban residents. Third, accelerating the development of the urban collective economy may greatly increase the financial revenues of districts and neighborhoods.

Gao Dezhan said: This year is critical to accelerating the reform, opening up, and modernization drive of the municipality. As a new important growth point to accelerate the municipal economic development, the urban collective economy must develop rapidly. In the course of efficiently running state-owned enterprises, we should allow the people to freely develop township enterprises, foreign-invested enterprises of the three types, urban collective economy, individual economy, and private economy, and should allow the simultaneous development of these enterprises and these sectors of the economy. In developing urban collective economy, we must further emancipate our mind, open up our train of thought, and go all out to accelerate the pace of development. Those that have a good market and efficiency may develop actively.

Gao Dezhan stressed: We must foster the idea of depending on reform to accelerate development in order to expedite development with reform. The general guiding ideology for the reform of collective enterprises is to emancipate the mind in a way more vigorous than that of state-owned enterprises and to carry out reform in an even more flexible and energetic manner. The reform programs of collective enterprises may include diverse forms based on free choice in line with their respective conditions, such as the shareholding cooperative system, the system of being owned by the state but run by the people, the system of being owned publicly but run privately, partnership management, management on a leasing basis, and management on a contract basis. Enterprises should adopt what most conforms to the conditions of enterprises; what is most conducive to liberating productive forces, to increasing the accumulation of the state, to increasing the momentum for development of enterprises, and to improving the living standards of workers and staff. Enterprises should continue to increase the income of workers and staff members on the premise of developing production, improving management, and increasing economic returns.

Gao Dezhan stressed in conclusion: We should actually strengthen leadership over the work concerning urban collective economy, list the work as an important item on the daily agenda, and conscientiously study how to solve the problems in reform and development. The government should actually transform functions and further lift restrictions on collective enterprises in an effort to administer enterprises as little as possible and do as many tangible things as possible for enterprises. All the districts, bureaus, and units that undertake the function of managing the urban collective economy should exert great efforts and adopt bold measures to accelerate the development of the collective economy.

The urban collective economic office under the municipal government should strengthen guidance, coordination, and service to the development of the collective economy in order to create favorable conditions for developing this economy. Tianjin has a great potential and bright prospects in developing the urban collective economy. Thus, Tianjin should make great efforts to overcome difficulties with a view to developing the urban collective economy in an even better and faster way and making new contributions to invigorating the economy.

Vice Mayor Zhang Haosheng summarized, in his speech, the municipality's urban collective economic work in 1993 and made arrangements for this year's work. [passage omitted]

**Tianjin Holds Foreign Affairs Work Conference**  
*SK1902084294 Tianjin TIANJIN RIBAO in Chinese*  
27 Jan 94 p 1

[Text] The municipal foreign affairs work conference was held at the southern building of the cadres club on 26 January. Gao Dezhān, secretary of the municipal party committee, made a speech at the conference. He stressed that we should conscientiously understand the situation, grasp favorable opportunities, exert great efforts to attend to the local foreign affairs work, promote the opening of the municipality to the outside world, and quicken the development of Tianjin's economy.

In his speech, Gao Dezhān first extended regards to the comrades who have diligently been working on the foreign affairs front. He said: The work relating to foreign affairs is of extreme importance and influences the overall situation. We should conscientiously implement the guidelines of the sixth national meeting of foreign affairs office directors, further strengthen the local foreign affairs work in the new year, promote the opening of the municipality to all directions, promote economic development, and ensure the smooth progress of work relating to foreign economic relations and trade. He pointed out: At present, Tianjin has further expanded the scale of opening to the outside world, improved the investment environment, and quickened the pace of using foreign capital. Therefore, the comrades engaged in the work relating to foreign affairs must undertake important duties. This year, we should extensively expand the scale of opening to all directions; expand contacts with foreign countries; make foreign friends extensively; strengthen external propaganda; improve the investment environment; attract increasingly more foreign businessmen, personages of banking circles, and entrepreneurs to come to Tianjin to invest, conduct cooperation, make trips, and pay visits; introduce international human, material, and financial resources to Tianjin; and promote the acceleration of Tianjin's economy.

Gao Dezhān pointed out: We should pay high attention to foreign affairs work and strive to create a new situation in Tianjin's foreign affairs work. The local foreign

affairs work is an important component part of the whole country's overall foreign affairs work. The leaders at various levels and all departments should further improve the understanding about foreign affairs, pay high attention to the foreign affairs work, and strive to achieve local foreign affairs work in the new situation. He stressed: The foreign affairs departments should persistently take economic construction as a key link. Simultaneously, the foreign affairs work has its own special features and tasks. We should grasp foreign affairs policies, strengthen macroeconomic management, and serve the expansion of opening up and economic development. While related to foreign economic relations and trade, foreign affairs work is also different. Both supplement and promote each other. We should unite with all forces, form cohesive power, and achieve foreign affairs work. In doing foreign affairs work, we should pioneer new ways of thinking, suit the demands of the situation of reform and opening up, and make new breakthroughs in the new year.

Gao Dezhān urged: We should strengthen the macroeconomic management of foreign affairs work and exercise centralized and unified leadership over foreign affairs work. Different departments should assume different responsibilities and make concerted efforts to bring their functions into better play. We should realistically strengthen the foreign affairs work and ensure the smooth progress of foreign contacts. It is necessary to further strengthen the construction of foreign affairs workers contingents, strengthen training and education, and comprehensively upgrade the quality of contingents. We should strictly conduct education on the discipline governing foreign affairs, foster a good image of foreign affairs cadres, achieve the foreign affairs work, and make contributions to further expanding the opening of Tianjin to the outside world and developing the economy.

In his speech, Ye Dishēng, vice mayor of the municipality, delineated expectations on foreign affairs work departments in the municipality. Geng Jianhua, chairman of the foreign affairs office of the municipal government, relayed the guidelines of the national meeting of foreign affairs office directors, summed up the 1993 foreign affairs work, and arranged the work tasks for 1994.

**Tianjin Becomes 'Golden Channel' for Foreign Trade**  
*OW2102084894 Beijing XINHUA in English 0817*  
GMT 21 Feb 94

[Text] Tianjin, February 21 (XINHUA)—This port city has become a golden channel for foreign trade in north China, according to the municipal government.

In 1993, the handling capacity of Tianjin port topped 37 million tons, up 27 percent over the previous year, or eight million tons more than in 1992.

More than 22 million tons of it, or some 60 percent, was for imports and exports, a rise of 15 percent from a year earlier, the highest increase rate among the country's large ports.

Latest statistics show that foreign trade through Tianjin port were worth 12.5 billion U.S. dollars last year, and about 70 percent of the trade volume resulted from imports and exports via the port by other parts of the country. [sentence as received]

The port now has business ties with all the provinces and regions of the country, as well as more than 160 countries and regions across the world.

Situated on Bohai Bay, Tianjin is economically important to north China, whose imports and exports are conducted mainly through the port. But the port's annual volume of two-way trade remained at around seven million tons before the country's drive of reform and opening-up was launched 15 years ago, owing to the lack of berths and limited storage capacity.

This year, Tianjin port became one of the first in China to exercise autonomy in collecting funds and expanding cooperation with overseas. The port's infrastructure has consequently much improved.

The port has built the country's largest wharf for containers, with annual handling capacity reaching 700,000 standard containers.

Tianjin port has also introduced advanced loading and unloading equipment to enable it to handle 3.5 million and 3.2 million tons of bulk grain and salt a year, respectively.

Meanwhile, the installation of some modern packing equipment has helped Tianjin port become one of China's three largest centres for packing bulk fertilizers.

Tianjin port is also home to the country's first 10,000-ton three-sided freight berth and the first oil berth exclusively for shipping oil from southern Xinjiang, a remote region in northwest China.

Tianjin port now has more than 130 berths, 44 of which are 10,000-ton ones.

Tianjin has now ten ports engaged in foreign trade.

The expanded Tianjin airport has an apron of 155,000 square meters, capable of accommodating the parking of 17 large and medium-sized planes at the same time. The 3,200-meter-long and 50-meter-wide runway allows landing and taking-off of all sorts of planes below 300 tons.

Designed to allow 90,000 landings and take-offs a year, the airport is among China's six largest. It saw a throughput of 380,000 passengers and 270,000 tons of cargo in 1993.

Tianjin has also built China's first port for the shipment of liquefied sulphur and set up the country's first cross-border truck transportation corps.

Sources said that the annual handling capacity of Tianjin has increased by 30 million tons in the past 15 years. During that period, the port city handled a total of 290 million tons of cargo, worth more than 100 billion U.S. dollars.

## Northeast Region

### Heilongjiang Secretary Views Deng's Works

*SK2601062694 Harbin HEILONGJIANG RIBAO in Chinese 20 Dec 93 pp 1, 3*

[“Excerpts” of speech by Sun Weiben, secretary of the provincial party committee, at the report meeting on studying Volume 3 of the *Selected Works of Deng Xiaoping* on 18 December; place not given: “A Scientific Guide to the Establishment of Socialism With Chinese Characteristics”]

[Text] Not long ago, I attended the theoretical study class held by the Central Party School for principal leading cadres at the provincial and ministerial levels. Then, I spent a month wholeheartedly studying Volume 3 of the *Selected Works of Deng Xiaoping*. Together with Volume 2 of the *Selected Works of Deng Xiaoping* that was published 10 years ago, this book is the foundation for the theory of building socialism with Chinese characteristics—the Marxism of contemporary China; are the best teaching material and glorious banner to educate the people, to seek unity of thought, and to create a new situation for the socialist cause; and are a scientific guide for us to march triumphantly. These books are rich, extensive, and profound in contents, are filled with a clear-cut spirit of our times and spirit of nationalities, and are illuminated with splendid light. In as short as a month, it is impossible for us to comprehensively and profoundly understand this book, the “true scripture” of the Marxist theoretical literature of our times. Hereafter, I will report to you on how Volume 3 of the *Selected Works of Deng Xiaoping* was compiled and relay the superficial understanding and experience gained from my first reading of this book.

### Volume 3 of the *Selected Works of Deng Xiaoping* Inherits and Develops Marxism With New Ideas and Viewpoints

Proceeding from the reality of China and by upholding the principle of combining Marxism with China's reality, Comrade Xiaoping has keenly throbbed with the pulse of our times, emancipated the mind, pioneered the road, blazed new trials, and led the party and the people create new and earth-shaking causes since the commencement of reform and opening up, thus changing the outlook of China and affecting the world. Just as pointed out by the report of the 14th CPC Congress: “We have inherited

and developed Marxism with new ideas and viewpoints." *The Selected Works of Deng Xiaoping* is Comrade Deng Xiaoping's overall understanding of the law of building socialism with Chinese characteristics, while Volume 3 of the *Selected Works of Deng Xiaoping* is a representative work of Marxist theory that enters a new state and attains new heights in contemporary China. To put it briefly, Volume 3 of the *Selected Works of Deng Xiaoping* has primarily set forth the following new ideas, new viewpoints, and new concepts:

1. The essence and fundamental task of socialism. Comrade Xiaoping said: "The essence of socialism is to liberate productive forces, develop productive forces, abolish exploitation, eliminate polarization, and finally achieve common prosperity." This points out that the fundamental task of socialism is to develop productive forces and the fundamental purpose is to eventually achieve common prosperity. This new viewpoint breaks away from the past fixed mode of thinking in which the essence of socialism was understood from the angle of production relations and superstructure, has set up a new mode of thinking in which the essence of socialism is understood from the standpoint of combining productive forces with production relations, thus completely placing the understanding of the essence of socialism on a scientific foundation of historical materialism. This new viewpoint has broken with the past limitations of regarding revolution as the liberation of productive forces only and has set up the new thinking mode of liberating and developing productive forces and constantly changing and perfecting socialism through reform, thus completely putting the understanding of the essence of socialism on a scientific foundation of dialectical materialism. This new viewpoint has set up the new thinking mode of "abolishing exploitation, eliminating polarization, and finally achieving common prosperity," thus making a clean break not only with the traditional socialism of "simultaneous prosperity" but also with capitalism characterized by exploitation and polarization. Then, this new viewpoint laid a completely new theoretical foundation stone for the establishment of socialism with Chinese characteristics, and this viewpoint can be considered a programmatic viewpoint commanding the whole book.

2. The criterion with regard to judging the "three advantages". Comrade Xiaoping pointed out: "In the final analysis, not taking a full step in reform and opening up and not boldly pioneering a road means the fear of accumulation of more capitalist things and of taking a capitalist road. The crucial point in this regard is "being capitalist" or "being socialist." In following the criterion of judging these advantages, we should chiefly determine whether they are favorable for the development of productive forces; for enhancing the comprehensive strength of socialist countries; and for upgrading the people's living standard." This is a fundamental standard of judging all gains and losses in line with the socialist essence, which has been raised by Comrade Xiaoping after his several inferences of "practice being a

sole criterion in testing the truth;" of freeing the entire party from the serious fetter of two whateverism; and of realizing the shifting of work emphasis. The criterion is also to free the entire party from the serious fetter of "being capitalist or socialist" and to orient reform and opening up into the new historic period of establishing the systems of socialist market economy.

3. The initial stage of socialism. Comrade Xiaoping pointed out: "The 13th congress of our party has clarified the initial stage in which China's socialism is and socialism practiced by China belongs to the initial stage. Socialism itself is in the initial stage of communism. However, China is still at the initial stage of practicing socialism. This means that China is staying in an undeveloped period. Therefore, we should formulate plans based on this theory and according to it." The theory of socialism's initial stage represents an important conclusion made by Comrade Xiaoping in understanding socialism over again. It has done away with the traditional socialist concept of "bigger in size, a more developed socialist nature, pure socialist essence." The theory has also placed the changes of the relations between ownership and distribution on the undeveloped level of productive forces. All of these have been the theoretical basis and fundamental starting points for the party to formulate its basic line and all principles or policies.

4. The economic development strategy with three steps. Comrade Xiaoping said: "We should take three steps in developing the economy. By the end of this century, we should accomplish the work of two steps by having people dress warmly and eat their fill as well as finally become better-off. We will spend 30 or 50 years in the next century on reaching the level of medium-developed countries. This is our strategic target as well as our lofty aspiration and great ideals." Realizing the target of modernizations step by step and in line with the periodical goals has not only reflected the spirit of respecting the economic law, seeking truth from facts, and stably making progress; but also drawn up a blueprint for Chinese nation to join in the strong nationalities in the world and to make socialism and itself prosperous. It also represents a grand program of uniting with the entire party and the people throughout the country to wage arduous struggles, to make unwavering efforts, and to head for the 21st century.

5. The seizure of opportunity, the acceleration of development, and efforts to improve the national economy to a new level every several years. While holding talks with several central comrades in 1991, Comrade Xiaoping pointed out: "It is right for us to stress stability, however, it is possible for us to lose the opportunity if we overly stress it." "The large turn in the world at present just means opportunity." "All people are saying: What position we will be in the 'century of Asia and Pacific'?" "If we fail to seize the opportunity and to improve the economy to a new level, other people will surpass us much faster and we will lag behind."

In his speeches given during his 1992 south China inspection tour, Comrade Xiaoping also said: "The key to seizing the opportunity to develop ourselves lies in developing the economy," "in their process of development, some countries also have had the period or stage of high-speed development," "in developing the economy, China should strive to reach a new height every few years," and "judging from our experiences in the past few years, it is possible for us to reach a new height in economic development every few years." The viewpoints Comrade Xiaoping has put forward not only seize the opportunity provided to China's economic development by the abrupt changes in the situation of the world, but they also conform to the objective law governing the periodic and wave upon wave of development and set forth an important historical responsibility for the entire party and people across the country to build a strong country amid the intense competition in the world.

6. Poverty is not socialism, nor is too sluggish a development. In his article "Learning From Historical Experiences and Preventing Erroneous Tendencies," Comrade Xiaoping said: "Many strange things emerged during the 10 years (meaning the 10 years of the Great Cultural Revolution). People were asked to be content with poverty and backwardness and to have impoverished socialism and communism rather than affluent capitalism. This was what the gang of four advocated. How can we have impoverished socialism and impoverished communism!" He emphasized repeatedly: "Socialism cannot hold its ground if it is always poverty-stricken," "socialism should eliminate poverty, and poverty is not socialism, still less communism," and "sluggish development is not socialism, either." The viewpoints Comrade Xiaoping repeatedly emphasized have clarified the long-standing serious chaos created by the "leftist" ideological trend and conformed to the basic requirements of the socialist system and the common desires of the millions of people.

7. Reform is China's second revolution. Comrade Xiaoping said: "Revolution is meant to liberate productive forces, and so is reform. It was a revolution to overthrow the reactionary rule of imperialism, feudalism, and bureaucratic capitalism to liberate the productive forces of the Chinese people. Therefore, revolution is to liberate the productive forces. After the establishment of the socialist basic system, we should still fundamentally change the economic system that fetters the development of productive forces and establish a socialist economic system that is full of vigor and vitality to promote the development of productive forces. This is reform. Therefore, reform is also to liberate productive forces." Judging from China's practice, reform has effected and is effecting profound changes in the economic, political, social, scientific and technological, and cultural fields and major changes in people's standard of behavior, lifestyle, mind-set, concept on value, and criteria for right and wrong. Comrade Xiaoping's expositions indicate that the nature of the revolution is not an amendment to the minor details of

the original economic system but a fundamental transformation of the economic system and a thorough change of the mechanism for economic operation. This has ideologically and theoretically mobilized our party to effectively promote reform.

8. China's development cannot be apart from the rest of the world. Self-blockade and self-isolation must be opposed. Comrade Xiaoping sets forth: "Now, the world is open. Following the industrial revolution of the Western countries, China became backward. One of the important reasons for this was that China closed itself to the international arena. After the founding of the PRC, they blockaded us and to a certain extent we closed ourselves to the international arena even more. All this has brought us some difficulties. Experience and the lessons of the past 30 years or so told us that construction could not be developed if the door is closed." "China's development cannot be apart from the world." Comrade Xiaoping's viewpoint deeply sums up China's experience and lessons in being reduced from a secondary powerful country to a backward one in the 100 years or so, conforms to the historical trend of internationalizing the world economy and making the world economy an organic whole, and sets forth a strategic issue of rejuvenating the Chinese nation.

9. Science and technology are the first productive forces. Comrade Xiaoping pointed out: "Marx said that science and technology are productive forces. This is very accurate. Now, it seems that this saying is not enough. I think that science and technology are the first productive forces." This is the distillation of the theory on the current economic development and the practical experience in scientific and technological progress as well as the new development in Marxism.

10. Socialism and the market economy have no fundamental contradictions. Comrade Xiaoping said on several occasions: "The difference between capitalism and socialism does not hinge on planning or the market. Socialism has the market economy and capitalism has the control by planning." "There is no fundamental contradiction between socialism and the market economy." "The market economy can be developed under socialism." Comrade Xiaoping's inference has laid a theoretical foundation for setting up the socialist market economic system. If we say that encircling the cities from the rural areas is the only way to win the victory in China's first revolution, building the socialist market economic system is the only way to win the second victory in China's second revolution.

11. The reform of the political system must suit the reform of the economic system. Comrade Xiaoping said: "It will be difficult to reform the economic system if we do not reform the political system." "Along with the development of reform, we will inevitably come across obstacles." "What is more important is that the political system cannot suit the requirements for the reform of the economic system." "Whenever we make a step to promote the reform of the economic system, we deeply

experience the necessity for reforming the political system. Without the political structural reform, there will be no guarantee for making achievements in reforming the economic system. If we cannot continuously promote the reform of the economic system, the development of the productive forces and the realization of the four modernizations will be obstructed." Comrade Xiaoping's inference brings to light the obstacles for deepening the reform of the economic system, develops the basic Marxist principle that the superstructure should suit the economic foundation, and clearly points out the orientation of reform.

12. Grasp with two hands and be tough with both hands. This is Comrade Xiaoping's consistent idea. In Volume 3 of the *Selected Works of Deng Xiaoping*, Comrade Xiaoping repeatedly pointed out: "We should grasp with two hands. One hand is the economic policy on opening to the outside world and enlivening the domestic economy. The other hand is to resolutely deal blows to various kinds of economic criminal activities." "There must be two hands in promoting the four modernizations. The four modernizations cannot be realized with only one hand. The two hands indicate that we should grasp construction with one hand and grasp the legal system with the other." "We should grasp reform and opening up with one hand and grasp the struggle against various criminal activities with the other. These two hands must be tough." This indicates that "Grasping with two hands has become a key strategic principle and task for building socialism with Chinese characteristics."

13. One country, two systems. This is an idea put forward to resolve the Taiwan and Hong Kong issues. Comrade Xiaoping pointed out: "One country, two systems, specifically means in the PRC, to implement the socialist system in the mainland with a population of 1 billion and to implement the capitalist system in Hong Kong and Taiwan." The idea of "one country, two systems" is an example of Comrade Xiaoping's creative development of Marxism and an important development of the theory of the state—the political and theoretical core of Marxism. His pioneering work will not only create a new situation for China's great cause of reunification but also exert a far-reaching historical influence on the peaceful undertakings of the entire world.

14. Check turmoil and prevent peaceful evolution. Comrade Xiaoping pointed out: "China's four modernizations will not succeed without a stable political environment," "all the things that oppose and hinder our taking the socialist road and all the factors leading to chaos and even turmoil in China should be eliminated," and "a need for stability is an issue above all other issues in China, and, without a stable environment, nothing will be accomplished," and the achievements already won will also be lost." Comrade Xiaoping also pointed out: "The Western countries are fighting a third world war without the smoke of gunpowder, meaning the peaceful evolution of socialist countries," and "therefore, we should educate well our Army, our organs of dictatorship,

Communist party members, the masses, and youths." As time goes by, the lessons in the disturbance of some countries, China's political and social stability, and the development experiences in people's living and working in peace and contentment have all the more proved Comrade Xiaoping's viewpoints to be scientific and truthful.

15. Be on the alert against right tendencies, but mainly guard against left tendencies. Comrade Xiaoping said during the past 10 years: "We should oppose both 'leftism' and rightism when emancipating the mind," "but the largest danger comes from 'left' tendencies," and "right tendencies may ruin socialism, and so may 'left' tendencies; and China should be on the alert against right tendencies but should mainly guard against 'left' tendencies." Comrade Xiaoping's theory summarizes the historical experiences and lessons of China's revolution and construction, exposes the extremely great danger of the "left" tendencies that are seemingly revolutionary, and clearly points out the major tendencies we should guard against in the process of reform, opening up, and the modernization drive. It pinpoints the current problems and has a far-reaching guiding significance.

16. Adhere to the party's basic line without wavering for 100 years. Comrade Xiaoping repeatedly emphasized during the past 10 years: "We should tell the world that no one can change the principles, policies, and strategies that we have now formulated," "the basic line, principles, and policies we have formulated should be continued and unswervingly carried on," "not only should the current leaders adhere to them, but also the leaders to serve the next terms of office should adhere to them," and "the basic line should take charge for 100 years without wavering." The party's basic line represents the precious experience gained by the CPC by summarizing both the positive and negative experiences and lessons during the decades of practice in the revolution it led millions of people to carry out. It is the lifeline of our party and is where the basic interests of Chinese people lie. Comrade Xiaoping's call for keeping the party's basic line unchanged for 100 years which he issued after careful consideration is an immediate need in China's reform and development and also a need in China's marching toward the 21st century.

17. Peace and development are two major topics of the present world. Comrade Xiaoping pointed out: "One of the really big issues of the present world which are of global strategic importance is the issue of peace and the other is the economic issue or we may call it the development issue. The issue of peace is one concerning the East and the West and the issue of development is one concerning the South and the North. We can summarize them into four words—East, West, South and North." This figurative summation of Comrade Xiaoping has great foresight, scientifically analyzed the development and changes in the world situation after the war, promptly made theoretical analysis that conforms with the objective trend of the development situation, provided a reliable guarantee for our country to develop

foreign relations and to seize the opportunity to develop itself, and it is becoming a common understanding of the whole world and the common task facing the whole world.

18. We should view the international situation soberly, try to maintain our position, and cope with it calmly. In September 1989, in face of the sudden changes in the world pattern, such as the great changes in East Europe, the disintegration of the Soviet Union, and the reunification of East and West Germany, Comrade Xiaoping said earnestly to several central responsible comrades: "Regarding the international situation, we can summarize it into three sentences. The first is to view it soberly; second, try to maintain our position; and third, cope with it calmly. We must not be impatient because impatience may lead to failure. We must be calm, quietly immerse ourselves in practical work, and accomplish one affair, our own affair." This is one of the important aspects of the political briefing which Comrade Deng Xiaoping gave to leaders of the new generation of our country after he accumulated the experiences gained during scores of years of domestic and international struggles, and is a basic stand which our country should uphold during a considerable long period of external struggle, and has been proven by practice over recent years that it is a correct foreign principle.

19. The crucial issue of China is to internationally improve the Communist party. Comrade Xiaoping pointed out: "China's problem will come from inside the Communist party. We must approach this issue soberly, pay attention to training personnel, and select people of ability and political integrity into the leading bodies in line with the criterion of selecting revolutionary, young, well-educated and vocationally proficient cadres. We should rely on this point if we want to uphold the basic line the party has kept for 100 years and maintain a long period of peace and stability. This is an affair that really affects the overall situation." "In the final analysis, the crucial issue is to improve the Communist party inside. If nothing happens we may sleep at ease." Comrade Xiaoping's directives have exposed where the key and the vital part of the problems of China lie, and provided a major task for party building.

20. We should strengthen the building of politics and fight corruption. During recent years, Comrade Xiaoping unceasingly stressed: "We should do several things that satisfy the people. There are two aspects. One is to boldly conduct reform and opening up, and the other is to step up efforts to fight corruption." "To rectify our party and realize our strategic objective, there will really be the danger of failure if we fail to fight corruption, in particular, the corrupt phenomena in the upper layer of the party." "Facts show that the Communist party is capable of eliminating repulsive things. We should fight corruption during the whole course of reform and opening up. As far as cadres and Communist party members are concerned, they should grasp the building of clean politics as a major affair." Comrade

Xiaoping expounded the major significance of conducting anticorruption struggle from the perspective of the party's life and death, which is a new development of the Marxist theory on party building.

Volume 3 of the *Selected Works of Deng Xiaoping* has many new ideas and new viewpoints which I will no longer list here one by one.

#### **In Studying Volume 3 of the Selected Works of Deng Xiaoping, We Should Have a Good Command of and Make Clear Some Major Issues**

In studying Volume 3 of the *Selected Works of Deng Xiaoping*, we should give prominence to focal points, grasp the essentials, and make clear some major issues in line with realities. What major issues on earth should we center in conducting study and discussion and how should we combine the study and discussion with the realities of ideology and work? For this, Comrade Shan Rongfan will set forth demands on behalf of the provincial party committee. Here, I will only make a report on my personal experience in study.

1. Emancipating the mind and seeking truth from facts constitute the quintessence of all theoretical viewpoints of Volume 3 of the *Selected Works of Deng Xiaoping*. When meeting with foreign guests, Comrade Xiaoping appraised himself as the "group of seeking truth from facts." In the beginning chapter of Volume 3 of the *Selected Works of Deng Xiaoping*, Comrade Xiaoping demanded us for the first time to "take our own road and to build socialism with China's own characteristics." From the very beginning of this book, he expounded the ideological line of "seeking truth from facts and proceeding from reality in doing everything," that was always advocated by him. In the concluding chapter, namely, the world-famous important speeches made during his south China trip, he repeatedly stressed: "Seeking truth from facts constitutes the quintessence of Marxism." "I have not read many books. But, I have always believed what Chairman Mao said is realistic." "Without a little spirit of being fearless and without a little spirit of rush advance, we will be unable to beat a good and new path and to pioneer a new cause." This has again gone back to the quintessence of "emancipating the mind and seeking truth from facts," that runs through the whole book.

Comrade Xiaoping is the pioneer of the emancipation of the mind. He pointed out: "What we are engaged in now is a new cause. It has not been mentioned by Marx, has not been engaged in by our ancestors, and has not been engaged in by other socialist countries. Therefore, there are no ready experiences for us to learn from." "Marxism should develop, and socialism should also develop, developing along with the development of the practice of human society and with the development of science." In his guidance to the great practice of reform, opening up, and modernization drive, he stressed: "We should not only refrain from copying the methods of Western capitalist countries but also refrain from copying the

methods of other socialist countries;" "many problems cannot be tackled with old methods;" and "we should boldly try a thing and go ahead." Otherwise, "daring not to emancipate the mind and daring not to untie our hands will result in missing opportunity, just like the saying "a boat sailing against the current must forth ahead or it will be driven back." When the household output-related contract system displayed its advantages for the first time, Comrade Xiaoping pointed out: "Becoming rich is not a sin. It can be affirmed as a very good policy. When the individual and private sectors of the economy and the three types of foreign-funded enterprises met with reproach for competing with state-owned enterprises, Comrade Xiaoping pointed out: "Developing a little individual sector of the economy and attracting foreign enterprises to run plants in China constitute the complement to the socialist economy." When the economy of special zones was much debated by the people, Comrade Xiaoping solemnly answered: "Special zones constitute the window, the window of technology, the window of management, the window of knowledge, and the window of opening up policy." "Special zones are the new thing of socialism. Special zones are of socialism but not of capitalism." When some people and some localities became rich ahead of others and some people could not accept them, Comrade Xiaoping stressed: "We stress on common wealth but also allow differences." It is impossible to develop equally. The thing will be easier if we let some localities become rich first and then make them help the poor." With a profound understanding of the interest and aspirations of the people, with a correct command of the law of the development of things, and with a flexible application of the Marxism-Leninism-Mao Zedong Thought, Comrade Xiaoping gave a clear and correct answer to the major questions concerning the overall situation of reform, opening up, and economic construction, and greatly promoted the emancipation of the mind throughout the party.

Comrade Xiaoping is a model in seeking truth from facts. He pointed out: To emancipate the mind, we should have our ideas conform to the objective reality, seek truth from facts, proceed from reality to do everything, and proceed from the actual conditions of China and the world. Comrade Xiaoping thoroughly analyzed the actual conditions of China and the world. He pointed out that the greatest reality of China is that China is in the initial stage of socialism where the productive forces are not well developed and that the great reality of the world is that peace and development become the main subjects, there will be no world war in a longer period of time, and we can strive for a peaceful international environment that is conducive to the domestic construction. Just in line with these two greatest realities, Comrade Xiaoping set forth the "political line of boldly, wholeheartedly, and perfectly developing the four modernization;" the key policy on grasping favorable opportunities and making self-development; and the basic state policy on reform and opening up. In regard to the unprecedented reform undertaking, Comrade Xiaoping

pointed out: "Our policy is to be bold enough, make stable steps, and take one step and look around before taking another." "The key is to be good at summing up experiences and avoid making big mistakes." Whenever reform has been developed for a period of time, Comrade Xiaoping constantly exhorts the whole party: "Now, it is time to look back. We have to see what has been done right and what has been done wrong so as to decide the next-step reform work." Here, Comrade Xiaoping organically combined emancipating the mind and boldly blazing new trails with seeking truth from facts and respecting the objective law and fostered a brilliant example for the whole party to persist in the ideological line of "emancipating the mind and seeking truth from facts."

Proceeding from the reality of the province and using Xiaoping's theory to arm our heads, emancipate the mind, and renew our ideas in the historical turn of setting up the socialist market economic system is of prominent necessity and urgency. Our productive force development level lags behind that of the advanced areas. Therefore, we must eliminate the fixed ideas of doing everything according to books and proceeding from the traditional socialist ideas and principles and foster the new idea that emancipating and developing productive forces is the essential characteristics, fundamental purpose, and fundamental standard of socialism. The state-owned sector of the economy accounts for an excessive large proportion of the economy in the province. Thus, the existing managerial forms lack vitality. We must eliminate the traditional public ownership idea characterized by state ownership and state management; define various kinds of ownership forms characterized by state ownership, collective ownership, cooperative ownership, and various sectors of ownership; define various kinds of property organizational forms characterized by independent investment, shareholding system, and shareholding cooperative system; and define the public ownership idea where ownership is separated from the property right of legal persons. Along with the promulgation of the state key reform measures in 1994, we must change the existing forms to regulate and control the administrative distribution of loans, tax reduction and exemption, and the readjustment of contract base figures; and define the regulation and control ideas of separating government functions from enterprise management, capital, and business dominated by indirect means. Under the circumstances where reform measures should be standardized by laws, we must change the policy idea characterized by a policy for a piece of land and a policy for a plant and the policy idea of development in reliance on reducing taxes, conceding profits, and special preferential policies; and define the policy idea of creating equal competition conditions to enliven the mainstay of markets. Under the new situation of carrying out the market economic system, we must eliminate the inherent ideas that land is not a commodity, labor forces are not able to enter markets, and socialism does not have capital category and foster a market idea that all production factors, such as land,

labor forces, capital, and property rights, can be circulated and exchanged. Under the new situation of further opening to the outside world, we must eliminate the managerial form, method, and traditional idea of totally excluding capitalism and define the open idea of handling affairs according to the general market economic laws and the international practice.

2. What socialism is and how socialism with Chinese characteristics should be built are the theme of the third volume of the "Selected Works of Deng Xiaoping." In the eighties, Comrade Xiaoping took the overall situation, the reality, and the future into consideration and meditated, in retrospect, why the Soviet Union's pattern was not desirable, why there was evolution and disintegration later, and why Comrade Mao Zedong encountered setbacks one after another during his later years in his exploration on the practice of the "three red banners" and the continued revolution under the dictatorship of the proletariat. In his speeches given when meeting with foreign guests, Comrade Xiaoping repeatedly said: "Even the Soviet Union failed to completely clarify what socialism is like after many years' of efforts," "the Soviet Union's pattern later became ossified," "our past understanding of what socialism and Marxism are was not totally clear," "it is all right to decide to take the socialist road, but we should first understand what socialism is," "a problem in understanding Marxism and socialism has existed for many years," "we have not clarified how to understand and develop Marxism in changing conditions," and "people who do not inherit and develop Marxism with new ideas and new viewpoints are not true Marxists." When talking with some central responsible comrades before the 13th party congress, he once again pointed out: "The report to the 13th party congress should provide a theoretical exposition on what socialism is and should clearly explain whether our reform is socialist." We can see that Volume 3 of the *Selected Works of Deng Xiaoping*, where the theme of what socialism is and how socialism with Chinese characteristics should be built appears repeatedly from the beginning to the end, is continuously developed in content and deepened in ideology and shows ever enhanced understanding of laws. According to my understanding, the reason why Comrade Xiaoping painstakingly considered and repeatedly emphasized this theme was that the detours and mistakes we had experienced before reform and opening up started and the misgivings and doubts we experienced after reform and opening up started, in the final analysis, resulted from our failure to thoroughly clarify this question. After the initial study of the third volume, I feel that, to clearly understand this theme, we should clarify the following basic theoretical questions:

Why do we develop socialism? This question concerns the origin and non-origin of change in the socialist system. Historical materialism holds that productive forces are the ultimate decisive force in the development of human society. The reason the socialist system will unavoidably replace the capitalist system lies not in its

conformity to "eternal truth and justice." The reason is, just as Marx said, that the capitalist system has become the "shackles of production forms that were developed, that the concentration of the means of production and the socialization of labor have reached an extent incompatible with their capitalist shell, and that the shell will soon blow up." (*Das Kapital*, Vol 3) This is to say that the development of productive forces is the original, first, and ultimate decisive factor, and socialism, as a social system, is the non-original and second factor decided by the development productive forces. It is just like Engels pointed out that socialism is an inevitable demand when the development of productive forces has reached a certain stage. In addition, "it is possible to develop socialism only when the development of productive forces has reached a certain stage and when the practical conditions for realizing it are all ready (from socialist ideal to scientific development). Comrade Xiaoping has profoundly understood this historical dialectical quintessence and pointed out: "Although we have conducted socialism, actually we are not up to standard. Only when we enter the middle part of the next century and reach the level of a moderately developed country can we say that we have really conducted socialism." When he met with presidents of Tanzania and Uganda, he said: "According to your own conditions, perhaps, you should not be too anxious to engage in socialism right now." He said that we are "actually not up to standard" to carry out socialism at present, and that we should not be "too anxious to carry out socialism." This is implied to the fact that our conditions are not ready for developing the productive forces. This has clearly told us that our purpose of carrying out socialism is to develop the productive forces and that we should not develop the productive forces for the sake of socialism. In terms of the objective law of the development of human society, this has strategically and thoroughly solved the most basic issue of why we engage in socialism.

What is socialism? There is an issue of the essential and nonessential aspects of socialism. For a long time, the people have believed that the essence of socialism is public ownership, planned economy, distribution according to work, and later, the dictatorship of the proletariat, the party's leadership and spiritual civilization. From the perspective of the times, Comrade Xiaoping introduced for the first time the idea of productive forces to the essence of socialism in the history of development of Marxism, explicitly proposed that the essence of socialism is to "emancipate and develop the productive forces, eliminate exploitation and polarization and finally lead to common prosperity." This thesis has ended all kinds of distortion and erroneous understanding of the essence of socialism, eliminated some principles, forms, and methods that do not belong to the essence of socialism. Of this, the principles of public ownership and distribution according to work are determined and served by the essence of socialism, and are essential to the essence of socialism, and therefore, they are correct and must be upheld; there are also some

principles, forms, and methods, such as the planned economy, are not needed by the essence of socialism, and, therefore, they are not necessary to be upheld. In addition, some principles, forms and methods, such as the commodity economy, the market economy, and the shareholding system, that conform with the demands of the essence of socialism or cause no harms to the essence of socialism must be used for reference and be applied. For a long time, we have been used to regarding some things that are not the essence of socialism as the essence of socialism and uphold them, and regarding things that meet the demands of the essence of socialism, such as the family-based contracting system and reform of property right system, as "heretical beliefs," and opposed them. The reason for this is that we have failed to completely clarify the essence of socialism. The thesis of Comrade Xiaoping on the essence of socialism has scientifically answered the basic question of what is socialism. This is a big emancipation of the ideology of the communist people and a major breakthrough of the scientific socialist theory.

How should socialism be developed? This question concerns the purpose and means of socialism. According to Comrade Xiaoping's thesis on the nature of socialism, the purpose of socialism is to "ultimately achieve common prosperity," and all others are the means. This idea of Comrade Xiaoping's took shape as early as the 1960's. His famous talk on "cat," namely "regarding the best form of production relation, we should have an attitude of adopting whatever forms that can fairly easily and rapidly restore and develop agricultural production in a locality," and "all cats, white or black, are good cats as long as they catch mice," profoundly brought to light in extremely simple language the relations between the purpose and means of socialism. That is, we may adopt whatever means that helps develop productive forces and ultimately achieve common prosperity. In Volume 3 of the *Selected Works of Deng Xiaoping*, Comrade Xiaoping repeatedly emphasized that the ultimate purpose of socialism is common prosperity, "poverty is not socialism, nor is too sluggish a development," "we adopt all methods that help develop productive forces, including bringing in capital and advanced technology from abroad," and "many operating forms are the means and methods for developing productive forces, which can be adopted by both capitalism and socialism, and they serve those who use them well." After studying Comrade Xiaoping's theses, I feel that we should truly break with the outdated concept of persisting in means by regarding it as the purpose and sticking to the means at the expense of the purpose and should never again do such a silly thing as "pursuing the weed of socialism rather than the seedlings of capitalism." We should truly take development as the essential criterion and proceed from and aim at developing Heilongjiang and making the people prosper in doing everything.

3. Introducing the market economy system to the socialist society is a major breakthrough and innovation of the theory of scientific socialism that Volume 3 of the

*Selected Works of Deng Xiaoping* has made, and it blazes a road for China's socialist modernization that conforms to the objective law governing socialized large-scale production. The traditional concept on socialism held that the market economy was the basic characteristic of capitalism and only the planned economy is the intrinsic attribute of socialism, and, therefore, the market economy was not for socialism. With the dauntless courage and insight of a proletarian revolutionary, Comrade Xiaoping challenged the traditional concept on the relationship between planning and the market. He pointed out as early as 1979 that "the market economy may also be developed in socialism." In Volume 3, he again spoke on the issue of market on seven or eight occasions: "There is no basic contradictions between socialism and the market economy," "to have more planning or to have more market force is not the basic difference between socialism and capitalism," "planning and the market are all economic means," and "it is necessary to persistently combine the planned economy with the market economy." Comrade Xiaoping's theses have laid a theoretical foundation for the socialist market economy.

Engaging in the socialist market economy is an essential demand in socialized mass production. Comrade Xiaoping maintained: "Marxism stresses development of productive forces the most." Attempting to "build all state organizations into a large machine and into an economic organism whereby hundreds of millions of people work in accordance with a single plan," (Lenin) has made enterprises become "dead spare parts" of this "large machine" and restrained the source of social wealth under the conditions of modernized and socialized mass production, has given rise to unwieldy, over-staffed, and low-efficiency managerial organizations and skewed the proportion in various economic sectors off balance; and affected by interests of respective localities and departments, has caused serious barriers between different regions and different departments, hampered the rational flow and optimum organization of production elements, and caused sharp contradictions to the socialist mass production. After summarizing the experiences and lessons gained from history, Comrade Xiaoping repeatedly stressed that the planned economy was no longer workable. "In the past, we copied the modes of other countries, thus hampering the development of productive forces." "Old methods have been proven ineffective by practice in the past tens of years." Then, he pointed out: "Combining the planned economy with the market economy will be conducive to liberating productive forces and accelerating the development of productive forces."

Engaging in the socialist market economy conforms to the aspirations of the people and the demand of the essence of socialism. Comrade Xiaoping has always combined the people's aspirations with the essence of socialism. He maintained that only liberating and developing productive forces and achieving common prosperity conform to the fundamental interests of the

people. He also maintained that only by fully mobilizing the initiative of the people could we liberate and develop productive forces. Therefore, in approaching a thing, Comrade Xiaoping has always considered "whether the people support it," "whether the people agree to it," "whether the people are happy," and "whether the people favor it." In the past, we continuously propagated that laborers were masters of the means of production. However, under the highly centralized planned system, enterprises were the accessories of party and government organs, staff and workers were passive executors of the mandatory targets of production, staff and workers ate from the "common big pot" of enterprises, and enterprises ate from the "common big pot" of the state. As a result, enterprises could not feel that they were the mainstay of management, laborers also could not feel that they were masters of their enterprises, and thus their enthusiasm was seriously damped. In the light of this situation, Comrade Xiaoping sharply pointed out: "Refusing to delegate powers to enterprises, enterprises will have no autonomy and will no responsibilities to assume, and the state must assume responsibilities for both success and failure. If the state takes on everything, how can we do our work well and mobilize initiative? Implementation of the socialist market economy will give rise to a pattern characterized by diverse investment mainstays, diverse ownership forms, diverse distribution forms, and diverse asset management forms. Under this pattern, laborers are either owners of individual and private enterprises or shareholders of shareholding enterprises and shareholding cooperative enterprises, or staff and workers, who are closely linked with the destiny of their enterprises, of the wholly state-funded enterprises that enjoy the property right of legal persons. Under any circumstance, all laborers will become masters of their enterprises in gaining property right and in sharing personal interest, and then we will enhance the labor productive forces to the maximum and accelerate the speed of marching towards common prosperity. From this, we can see that only by developing the socialist market economy can we meet the demand of the essence of socialism.

Developing the socialist market economy is the inexorable direction of reform and opening up. A basic idea dominating the third volume is to break with the closed economy and open to the outside world. When considering the issue of reform, Comrade Xiaoping also proceeded from the idea of opening up. He said: "Reform is meant to invigorate the economy, and invigorating the domestic economy means to open to other localities of the country, and this is, in reality, called the open policy," and "the basic content and basic experience of both the rural reform and the urban reform are to open up." He also repeatedly emphasized: "Courage is needed to raise the banner of further opening up." How should we open further? The situation is very clear—over 90 percent of the countries and regions in the world are enforcing the market economy system. If we become an "isolated island" of planned economy, it will be very difficult for us to further march toward the world. Only

when we develop the market economy and act according to international practice, can we "connect" with the market economy which is universally implemented in the current world and coordinate China's economy with the economy of the world.

4. Attending to two tasks simultaneously and being competent in both constitute the basic principle repeatedly emphasized in Volume 3 of the *Selected Works of Deng Xiaoping*. Comrade Xiaoping pointed out: "We should pay close attention to and never, even on a single day, slacken efforts in building the spiritual civilization and improving party style and social conduct," and "what is the sense of succeeding in economic development if social conduct deteriorates? Deterioration in the other area will lead to the deterioration of the entire economy." He repeatedly emphasized that in building socialism with Chinese characteristics, it is necessary to develop reform and opening up on the one hand and punish corruption on the other, develop economic construction on the one hand and improve democracy and the legal system on the other, and build the material civilization on the one hand and develop the spiritual civilization on the other; and that "not only should the economy be developed, but social order and social conduct should also be improved and the two civilizations should surpass those in the capitalist countries. Only this is socialism with Chinese characteristics." Only when we use patriotism and socialism to unite the Chinese nation, uplift our national spirit, and enhance all the people's national self-respect, self-confidence, and self-pride, can we develop our country and our nation.

To understand Comrade Xiaoping's idea of attending to two tasks simultaneously, we should strengthen party building and the spiritual civilization in line with reality, bring about a turn for the better in public security and social conduct, unite the people throughout the country, raise spirits, work hard, and develop Heilongjiang.

#### Heilongjiang Officials View Overseas Enterprises

SK2402040694 Harbin Heilongjiang People's Radio Network in Mandarin 10:00 GMT 23 Feb 94

[Text] At the provincial overseas enterprise work conference that concluded today, Vice Governor Wang Zongzhang put forward the medium- and long-term targets of overseas investment. These targets include completely restructuring and optimizing the overall layout of overseas investment by the end of this century to establish an initial network of overseas enterprises that cover the major markets of the six continents, are based on complementary economies, are of a fairly large scale, and have substantial strength and their own characteristics; to gradually transform the existing overseas enterprises into conglomerations or shareholding enterprises on the premise of voluntary participation and mutual benefits and turn them into modern enterprises developing diverse business while emphasizing a major trade; and to continuously expand the channels of foreign economic

relations and trade, transmit, and exchange the information on the markets at home and abroad; and expand the economic strength and the scale to serve Heilongjiang's development of an open economy.

Since 1984 when Heilongjiang established its first overseas enterprise in Hong Kong, the province had established 450 various types of enterprises overseas by the end of 1993, thus enabling its export commodities to enjoy a long and stable share in the world market and to promote the implementation of the strategy of diversifying the market. Due to a lack of understanding and overall guidance, however, the overseas enterprises have yet to fully develop their role. In view of this, Wang Zongzhang pointed out: To attain the medium- and long-term targets of overseas investment, the investment to be made overseas in the near future should be rearranged and distributed in a rational way and group companies or outlets with substantial strength should be established. In the next two to three years, about 10 large group companies should be established to develop transnational business and gradually achieve internationalization in business. The group companies established in developed countries should focus on imports of funds, technology, equipment, and modern managerial expertise and mastery of the trends in the international market and the world economy to provide favorable conditions for Heilongjiang to optimize the mix and the quality of its export commodities and achieve a larger share in the world market. The group companies established in developing countries should focus on the sectors that these countries and Heilongjiang can use to supplement and suit each other to expand the channels for the sales of Heilongjiang's export commodities. Enterprises established overseas should be integrated with the international practice and establish a managerial mechanism that meets the need of the modern market economy. Shareholding companies should be established on the basis of voluntary participation and mutual benefits. They should not only encourage the existing overseas enterprises to buy shares but also absorb the domestic and foreign funds, as well as the funds from in and

outside the province. The enterprises established overseas should diversify their business while emphasizing a major trade. Guided by the demand of the international market and relying on Heilongjiang's advantages in resources, industries, and geographical position, they should develop production, trade, banking, technology, and service businesses to gradually become large multi-purpose industrial groups. Meanwhile, they should build bonded warehouses in the key areas of international transportation, as long as they are economical and convenient and help promote sales.

**Liaoning Sentences Official To Death for Bribery**  
*SK2402014094 Shenyang Liaoning People's Radio Network in Mandarin 1000 GMT 23 Feb 94*

[Text] On 23 February, the Fuxin City Intermediate People's Court passed judgment on a bribery case involving (Wang Yunling), former director of the Fuxin City Goods and Materials Bureau. (Wang Yunling) was sentenced to death with a two-year reprieve and was deprived of his political rights for life.

As announced by the Fuxin City Intermediate People's Court, the accused (Wang Yunling) took advantage of the preparations by the Fuxin City Goods and Materials Bureau and the agency of the Hong Kong Transportation and Trade Corporation in Guangzhou to establish a joint corporation to accept bribes of 150,000 yuan in Renminbi and 15,000 yuan in Hong Kong dollars on four occasions from April to November 1992. In another instance, when the Fuxin City Goods and Materials Bureau was compensated for the the right to use state-owned land, (Wang Yunling) accepted bribes of 100,000 yuan in Renminbi from Shenyang (Mulan) Corporation in March 1993.

In October 1993, when details of the case were revealed, (Wang Yunling) showed repentance for his crime, frankly confessed to details that had not been ferreted out by judicial organizations, and returned all the illicit money.

**Li Teng-hui Gives News Conference on Overseas Trip**

*OW2302090994 Taipei CHUNG YANG JIH PAO in Chinese 18 Feb 94 p 3*

[“Full text” of news conference held by Taiwan President Li Teng-hui with unidentified correspondents at Taoyuan Chiang Kai-shek International Airport on 16 February; first two paragraphs are editor’s note]

[Text] Upon returning from eight-day unofficial visits to three Southeast Asian nations on 16 February, President Li Teng-hui immediately held a news conference at the CKS [Chiang Kai-shek] International Airport. During a span of 80 minutes, President Li answered 30 questions from Chinese and foreign correspondents in a tone of optimism and firmness coupled with plenty of gestures and vivid comparisons. In answering questions, President Li stressed that the world has moved toward a new era of regional cooperation and economic sovereignty after the Cold War and that the Republic of China [ROC] would make efforts in the three directions of peace, cooperation, and prosperity to strive for the development and stability of Asia as a whole.

The following is the full text of President Li’s opening address, as well as his answers at the news conference:

President Li said: This unofficial trip served several main purposes. We deeply understand that at present, after the end of the Cold War, the international situation, especially the international economic situation, has gradually shifted toward regional cooperation. The further establishment of regional economic relations under these circumstances is a matter of great importance. There should be an exchange of views between the leaders of countries in the Asian region and the Republic of China [ROC] with regard to the various countries’ conditions and their attitudes toward what the ROC thinks and does. This will be a great help to us. During my eight-day vacation trip, there were many difficulties caused by the absence of diplomatic relations. Despite these circumstances, after talking with and hearing the officials’ views, especially from the leaders of the three countries, my conclusion is that the visit has yielded fairly good results. It is very important for our efforts to further establish relations of multilateral economic cooperation in the Asian region in the future.

Through our current visit, we can see that all countries’ views, sentiments, and respects to the ROC in Taiwan are more than we can imagine at home. This is a very happy thing. We should be grateful to the three leaders for their hospitality.

One thing for which I feel sorry about this trip is my not being able to call on Chinese residents in each country, as we had to respect the host countries’ arrangements. In Indonesia, I, in an unofficial manner, invited representatives of local Chinese residents to the place where we stayed to exchange views with them and understand their problems, hoping that we could find a way to solve

the problems. In Bangkok, however, we were unable to listen to the local Chinese residents’ problems. Here I would like to express our regret to the Chinese residents of these three countries.

Our country’s further development must be separated from ideology, with efforts being made in the directions of peace, cooperation, and prosperity. Although we met with uncalled for disturbances during our trip to the three countries, we did not consider them as very serious problems. We are convinced that the whole world will gradually understand that the ROC is a progressive country, a country which helps other countries, and a peace-loving country. Our endeavors do not reflect different opinions toward any region or country, including Communist China. Our efforts to help the mainland’s development and our efforts to help the progress and development of Southeast Asia are all the same. We are ready to help the Asian region achieve development with Taiwan’s experience. This is our wish and expectation.

I am really grateful to you, ladies and gentlemen, for attending this news conference at such a late hour. I hope all of you will raise as many questions as you can. I will make my answers short so that everyone will have a chance to ask questions. I thank you all, thank you.

[Correspondent] Mr. President, you have repeatedly mentioned and stressed pragmatic diplomacy, that existence would bring development, and that the ROC should have its own place in the international community before reunification. In your visits to the three countries this time, have you achieved indirect results in realizing pragmatic diplomacy and fundamentally facilitating return to the United Nations?

[Li] Pragmatic diplomacy is completely based on discussions on economic cooperation. This trip prompted the Chinese Communists’ protests against many countries, but these countries are all very pragmatic. In spite of the Chinese Communists’ repeated protests, they, being ready to make friends with the ROC, maintained an unequivocal attitude, knowing the ROC is a peace-loving and free nation.

As to the question of what actual benefits would pragmatic diplomacy bring to our foreign affairs, I think that the benefits to foreign relations through the current visit cannot be seen in the short term. We must take a long-term view and make contacts with many countries. Only then will we be able to see results.

[Correspondent] In your opinion, in what way should Chinese all over the world look at your trip?

[Li] We don’t have a political agenda for my visits to the three countries this time. Everyone should realize that the ROC on Taiwan must develop. It is safe to say that the ROC is a country of a divided China [zhong hua min guo zai tai wan shi zhong guo fen lie zhong de guo jia 0022 5478 3046 0948 0961 0669 3494 2508 0022 0948 0433 5933 0022 4104 0948 1367]. The whole world should realize that a unified China is a goal we will attain

in the future. However, at present the reality is that China is divided. As a divided country under separate rule, we should set the direction for our own development. This will create greater room for reunification across the strait in the future. Chinese all over the world should not approach this visit from a political point of view, regarding it as something that was intended to create one China, one Taiwan, or two Chinas. There is no need to see the visit in this way, and quite obviously, that was impossible.

[Correspondent] Mr. President, your trip to Southeast Asia this time could be described as quite successful and very fruitful. Will you make further overseas trips in the same manner in the future? What countries or regions will be under consideration should there be any similar trips?

[Li] As I have mentioned in my speeches on New Year's Day and on Lunar New Year's eve, this may be a year the ROC will develop a new direction for its international relations. Besides, I feel that it is necessary to somehow make the mainland understand this issue so that they can deal with it more pragmatically. Today is just 16 February, there is so much time left in the year. I think I will visit countries with which we have formal diplomatic ties and countries with which we do not have formal diplomatic ties. It is too early now to say which countries I plan to visit. We will let you know after every preparation has been made. This is the way such matters should be handled.

[Correspondent] Your meetings during this overseas trip with the heads of state of the three countries without diplomatic ties with us constitutes a major diplomatic breakthrough, but the Indonesian foreign minister said today that the Asia-Pacific Economic Cooperation [APEC] conference scheduled to be held in that country this year will follow the Seattle model established in the United States last year, meaning that you may not be able to attend the conference in person. How are we going to resolve this long-standing diplomatic situation on our side?

[Li] The United States established a model at the APEC conference in Seattle last November, but it is hard to say whether this model will be followed in the future. Therefore, although the foreign minister of this year's host country, Indonesia, wants to keep the model, future developments remain to be seen. Provided we keep on trying hard again and again in the future, the host country's attitude should eventually change. Moreover, clearly put, are there other people who understand the development of the Asian economic situation more than the ROC does? This is not an issue that can be solved within a short period of time, but I believe the future will be very bright.

[Correspondent] Hsu Chia-tun [Xu Jiatun], former director of Communist China's XINHUA Hong Kong branch, said in his memoirs that the Communist Chinese leaders will not approve of Taiwan's recent active

maneuver for international recognition, which they consider an action for independence in disguise. Such an attitude on the part of Communist Chinese leaders is bound to affect your unofficial trips abroad. What are your countermeasures for dealing with the attitude of Communist Chinese hierarchy?

[Li] Is this the attitude of the leaders on the mainland? How are their unity and cooperation as compared to ours? As is known to all, the communists sometimes use very strong rhetoric in speeches targeted at others, which actually does not reflect the internal view.

Moreover, what is Hsu Chia-tun's status? In my opinion, he belonged to the third-generation leaders, about the same age as Hu Yao-pang [Hu Yaobang] and Chao Tzu-yang [Zhao Ziyang]. Since he went to the United States later, what category of people does his mentality and view represent? How reliable is he? It is very difficult to judge the trend on the mainland based on his memoirs? His memoirs may reflect the view of some Communist Chinese leaders, especially those of the older generation with a strong ideology. Is this the consensus among the Chinese Communists? We do not quite understand his view.

[Correspondent] Economic cooperation is the development trend of all Asian countries today. When you met the heads of states of the three nations, did you mention any plans for economic cooperation in the Asia-Pacific region, such as cooperation with the ASEAN and Malaysia?

[Li] Despite different national conditions and demands, all Asian countries will ultimately depend on foreign countries for markets. Japan and the four small dragons are currently the economically better off countries in Asia. However, assistance from a few foreign countries will not be adequate for helping one become well off. This is an all-inclusive issue. Cooperation with every foreign country will be helpful and our assistance to others will also be useful.

Discussions with these three countries about mutual assistance did take place. For example, we discussed with the Philippines the question of signing an agreement on establishing free trade zones. ASEAN states are maneuvering to establish free trade zones. However, it remains difficult to predict the outcome. Ramos and I talked about this question and viewed it beneficial to both countries. Further discussions will be needed to decide whether this question should involve the ASEAN states. As for Indonesia and Thailand, we also discussed the question of developing bilateral trade. The ROC's experiences will be helpful for these countries. We view this question with an all-inclusive approach.

[Correspondent] Despite Communist China's strong protests against your trip, the Philippines and two other countries have emphasized that it does not violate their "One-China" policy. Will this become a new diplomatic pattern, and how will it affect the future development of cross-strait relations?

[Li] It will not have any effect. I believe that Communist China arbitrarily lodged protests time and again, probably because some of its functionaries, who are ignorant of world trends, wanted to win praises from their State Council by lodging protests to prevent Li Teng-hui's visit to these countries. However, such a way of doing things is very immature and childish.

In my view, there is no need to worry about this issue. We will continue to maintain relations with the mainland. The focus of cross-strait relations in the future should be laid on searching for ways to strengthen mutual trust, so as to let the Chinese Communists understand what is beneficial to them, and we will not do what is not beneficial to them. I urge all of you not to take this issue too seriously. The ROC is a mature country.

[Correspondent] You visited many places during your eight-day tour of Southeast Asia. Which of them left the most profound impression on you? Which of them is worth our using its experience as a reference?

[Li] Whenever I visited a country, I paid close attention to its conditions, people's living standards, markets, houses, farmland, and the availability of water. I am very much concerned about these matters. We must not look down upon the developing countries as backward just because the ROC has achieved considerable successes on Taiwan over the past four decades or so. Each ASEAN member has its own strong points and shortcomings. For instance, having taken a look at Indonesia's plan for the cultivation of mangrove woods, I found we are much backward than others in this field of endeavor. Groundwater in many of our localities has a high saline content. To date, no one has come up with a very good plan to make improvement. However, Indonesia has already made efforts to plant mangrove woods and to use them to absorb saline content and to prevent the increase of saline content in groundwater. It may look like an insignificant matter, but it shows there are quite a lot that we must learn.

In fact, due to different environments and problems, the people in many places have their own methods of struggle. Many of them are worth our learning. Instead of offering what one has on-sidedly, the so-called cooperation should have both sides learn from and coordinate with each other. This is real cooperation. Likewise, we should look upon a number of countries in a "relative," instead of "absolute," attitude, and should thus learn from each other.

[Correspondent] During your foreign visit, there were different reports on the so-called "westward" and "southward" overseas investment. What is your attitude toward our country's investment policy?

[Li] The ROC's future economic development depends on its overseas investment. This is because Taiwan itself does not have enough economic resources. We are one of Asia's "four little dragons." Statistics on our investment in ASEAN countries, Mainland China, and North

Korea—countries which are less developed than the ROC—reveal an interesting phenomenon: the more our businesses invest in a country, the greater the volume of trade we have with it. Thus, investment increases trade. We touched many of these issues in a conference on Asia's trade prospects last year.

We believe we should not approach things with a suspicious glance. This includes the so-called "westward" and "southward" policies. The most important thing for the ROC is to increase its international investment; economic relations and trade are vitally important to us. From this point of view, the government has no problem with the so-called "westward" and "southward" policies.

[Correspondent] Your unofficial visit to the three Southeast Asian countries, called ice-breaking journey by some people, was quite successful. Our country's status and your prestige and achievements in agricultural and economic areas have been affirmed in those countries. It is believed that the trip will contribute considerably to advancing our diplomacy, particularly economic and trade diplomacy. How will the visit affect your political life? Could you describe your state of mind and the changes it has gone through?

[Li] During my visit to the three countries, particularly Indonesia, many people called me Dr. Li or Prof. Li. This was simply because many people, whether government ministers or business leaders, knew that Li Teng-hui accomplished something in the academic world and in agricultural reform. They knew what I did was quite successful.

These countries hope that we will offer them good advice and help them in this regard. I am quite willing to do so, because it is a meaningful thing to do. Further, this will help us forge closer ties with them.

In my talks with Indonesian President Suharto, for example, 70 percent of the questions he raised were on the issue of dealing with high unemployment rate in a country where the population is growing at 2.5 percent a year and on ways to provide appropriate jobs to the unemployed. Seeing that President Suharto showed great concern about this issue and was pleased with my answers, I immediately called Taipei by phone to send two sets of my three books to him to read.

I feel it is very significant that my work in the academic work is respected by people. Whether it is an achievement or not, I will be very happy if anything I did is beneficial to the country.

My state of mind has not changed. I would feel very good if I, at my age and with the last flames of a burning candle, could help improve the life of ordinary citizens and enable them to live peacefully in the country.

[Correspondent] What is the biggest gain of your current trip? What is your mood now? How many points have you scored in your current trip?

[Li] It is not nice for me to grade myself. Right now I am very happy. Before my trip to Bangkok, the mass media speculated whether I would meet with the king of Thailand. In fact, my meeting with the Thai king had been arranged in advance.

Leaders in the whole world have a common view. Politically, it is necessary to have democracy; and economically, it is necessary to practice market economy, centering on the market. The communist and socialist countries also advocate market economy and freedom of market. Since leaders of the whole world have this view, it is quite easy to promote mutual understanding among leaders of the world. If leaders of the world hold more meetings and talks, there will be only some small-scale conflicts and a world war will not happen. Therefore, I am convinced that the civil war in Yugoslavia will not touch off a world war.

[Correspondent] Would you tell us whether you have another plan to go abroad within one or two years? If you go abroad again, where do you want to go the most.

[Li] The country I would like to visit most is the United States. As I just said, this is a secret which does not need to be mentioned. Whether the United States or the United Kingdom, France, Germany, and Japan, I think I want to visit all those countries. If there are opportunities, the U.S. President, the Japanese prime minister, the British prime minister, and the French president may all come to hold talks. Although Taiwan is very small, the talks may offer some help to the world. There are many people with whom I want to talk to.

[Correspondent] Mr. President, you have met with heads of states of the three countries in your trip. Are we going to set up a trans-ministerial organization to promote the development of bilateral economic relations with those countries? How will investment in those countries by plants and enterprises of our country be protected?

[Li] In fact, the issue of investment in the Philippines and Indonesia is well known at home. What the public has not noticed are plans for rural development. As to how we will use our experience of agricultural development to economically help those countries, we have also made plans. We will examine this matter later and I will ask Secretary General Tsiang Yien-shi to take charge of the matter. When public and private enterprises make investment in the three countries in the future, our government will encourage and do its best to assist them.

[Correspondent] Having visited the Philippines and Indonesia, do you find their investment environments truly suitable to Taiwan businesses? Do you not feel it is more important to improve our domestic investment environment than helping our businesses invest abroad?

[Li] There are no conflicts between improving our domestic investment environment and investing overseas. The only problem is where to spend the money. For the nongovernmental sector, this is a question of capital distribution. Investment direction differs from one

country to another. Financially, we have not yet reached the difficult stage of choosing between the two.

We should realize why many businesses have invested in public undertakings in Indonesia. Indonesia produces a lot of energy. The ROC cannot advance and develop if it does not have a guaranteed source of energy supplies. Investing in Indonesia is a long-term national policy and absolutely necessary. Investing in that country is out of the need of our long-term national development. It is not the same thing as setting up a few small plants, like some other countries did. In the nongovernment sector, labor-intensive industries in our country will be replaced by investment in hi-tech industries. Therefore, there will be no problems of capital distribution.

[Correspondent] The academic circles generally feel our foreign policy and mainland policy should complement each other. In your view, how can the two supplement each other?

[Li] Our foreign policy proceeds from pragmatic diplomacy. Our mainland policy aims at promoting mutual trust across the strait. The two have no conflicts with each other. It is not necessary to view many issues, such as negotiations with the mainland, from an ideological perspective. The mainland should realize that it must not approach ideological issues with a "fatherly" mentality.

I must reiterate that the pursuit of peace, progress, and prosperity is a worldwide trend. A successful diplomacy will become an important chip in our mainland policy. The two can supplement each other.

[Correspondent] Did you discuss the question of Afro-Asian economic and security system with leaders of the three countries during your Southeast Asian tour?

[Li] The question of Asian regional security system was not discussed. It does not help things to talk about how to fight as soon as you meet someone whom you have not come to know too well. The establishment of a specific security system should proceed from economic cooperation. Exchange of views on this will come next. The military aspect should not be made an important element.

[Correspondent] In your view, has your vacationing journey helped upgrade our relations with the ASEAN countries, the principle goal of your trip? When you attend the APEC summit next time, will you be as relaxed and confident as you play golf?

[Li] I am not confident of that. Making friends is not that easy, nor is it that fast. We must go slow in making friends. Take last year's APEC summit in the United States for example. The U.S. President and other people all hoped I would not attend. What would the outcome have been if I had insisted on attending it? We must not let others misunderstand. We must make all countries and people in the world respect the ROC. We must make them view the ROC as an extraordinary country. This

was why I said then that I did not want to attend, lest people blame us for destroying the summit's atmosphere.

Making friends requires five or six get-togethers to become truly good friends. This is also true in the case of countries. Between friends, some of the things must be done in an appropriate environment. For example, in an appropriate environment, I will ask the good friend: If you all can attend, why can't I? In this way, many things can be resolved at the right time.

[Correspondent] Mr. President, what is your impression of the leaders of the three countries you visited?

[Li] The leaders of the three countries I visited this time, including the king of Thailand, are all very intelligent and wise. They all have deep understanding of the local situations of their respective countries. For instance, Indonesian President Suharto has been president for 25 years and people think he always lives in his villa; but he knows the countryside very well and also has a clear understanding of the Republic of China.

Our current trip has enabled us to understand that many leaders in the world not only understand their domestic issues but also show concern for international issues. The leaders of the three countries have seen many good points of our Republic of China. I respect them very much and our talks were very harmonious. They understood what I said and I also understood what they said. I admired them very much.

[Correspondent] Following your visit to Singapore five years ago as "President Li from Taiwan," you made a famous remark: "Although not satisfactory but acceptable." During the current visit to the ASEAN countries, some people addressed you as Professor Li or Doctor Li although you represented the Republic of China in going abroad. In promoting pragmatic diplomacy in the future, how do you plan to make the Republic of China more dignified? Besides, since you can happily hold talks with leaders of the ASEAN countries, why can't the leaders of the two sides of the strait sit down to talk in a calm manner?

[Li] This is a very difficult question. I am not criticizing them, but I think, among leaders of the whole world, the leaders of Communist China are most stubborn and ideological.

It is impossible for us to ask Communist China to forsake one country and two systems. Under such circumstances, the best way is to act and they will naturally recognize the fact.

China is in a situation of split. It is no mistake that a country needs respect. Some people invited me to dinner and addressed me as "Professor Li" and "Doctor Li." They were very innocent and I would not scold them. I think they have their difficulty in their stand toward the Republic of China. However, we should understand that the dignity of a country does not rest with addressing me "His Excellency the Eighth President of the Republic of

China." Whether others think highly or not of the circumstances and position of our country—this is the area, I believe, on which we should focus our efforts. We should be more united and work harder, and not think too highly of ourselves. Don't engage in "promiscuous" and improper acts just because we have tens of billions of dollars in our hands. We should win others' respect with our culture and moral standards.

I am very willing to do more things for the country if there is an opportunity. However, things between our side and the mainland are very difficult before the time is ripe, and according to our judgment the situation on the mainland is not very satisfactory. I will study the question you mentioned in the future.

[Correspondent] At present foreign policy lays stress on economic affairs. Mr. President, how shall we assist our domestic enterprises to develop transnational enterprises?

[Li] I have discussed this question with Minister Chien. As conditions differ from country to country, the approach we take should also be different. In the future, we should examine more carefully the representatives and personnel we send to those countries, for it is not helpful if the personnel we send do not understand the conditions of those countries.

Now, in addition to the Ministry of Foreign Affairs and other units, even the Academia Sinica will actively discuss those issues. I will ask the Ministry of Foreign Affairs to make an overall examination.

[Correspondent] Taiwan's businesses have made considerable investment in Southeast Asia. Mr. President, are there any specific guarantees or measures for encouraging Taiwan's business circles to invest there?

[Li] The number one concern among Taiwan businessmen in Indonesia and other areas is, I believe, their children's education, including how to build schools, hiring of teachers and principals, and curriculum. While in Indonesia, I invited four representatives of a friendship association. The government will address the questions they raised. They all hold ROC passports and we should help them solve their difficulties.

We have \$15 billion investment in Southeast Asia. This amount of money has been put into circulation, but we don't have a financial center to provide assistance. How goods flow into Southeast Asia and back to our country? We will ask Chairman Hsiao of the Council for Economic Planning and Development to study these issues. In short, we will simultaneously formulate measures in regard to education, banking services, freight trade, and so forth.

[Correspondent] Mr. President, during your trip to Southeast Asia, did you invite, face to face, the leaders of the Philippines, Indonesia, and Thailand to visit our

country? Will exchange of high-level visits with Southeast Asian countries become a regular, routine event in the future?

[Li] I did not raise this question during the meeting with Thai King Phumiphon. As for the two other leaders, I officially invited them and their responses were very good. They certainly responded, by nodding their heads. We were extending an invitation; it certainly would look awful if they did not make any response, like nodding their heads. (laughter burst out throughout the hall)

[Correspondent] During the trip, you emphasized promoting regional peace and economic prosperity in Southeast Asia on the basis of progress, prosperity, and peace. Some countries in Southeast Asia are set against one another over the issue of sovereignty of South China Sea. In your talks with the leaders of Southeast Asian nations, did you raise the possibility of using Taiwan's southern policy as a basis for a peaceful solution to the East China Sea sovereignty issue among the Southeast Asian nations so that they can jointly develop the resources of South China Sea?

[Li] Your question coincides with my long-term view. I plan to raise this issue during my second or third meeting with them. I tried as much as possible not to raise sensitive issues during the first meetings. Because the meeting time was limited, sensitive issues would have made them uneasy and not want to see me again. I certainly would raise this issue at a second or third meeting.

[Correspondent] Mr. President, you care about the aviation and space industries a lot. During the trip, you visited the aircraft plant in Bandung, Indonesia. Are we going to cooperate with Indonesia or are we going to jointly develop aircraft with Indonesia, Europe, and the United States? Will our country's Hanhsiang Company take part in such a cooperation arrangement? What is your assessment?

[Li] I asked a lot of questions when I visited the aircraft plant in Bandung. I asked questions about the plant's operations, management, and sales. But I did not suggest cooperation. Why? I know the problems we have. They did not say anything about their problems, but I can understand.

As for whether cooperation with Indonesia is possible, because all the planes they produce are for commercial use. [sentence as published] Indonesia has over 17,000 islands, planes are needed for transportation. The plant's monthly output of planes is about 170. Buying a plane is different from buying a car. It takes a lot of money to purchase a plane. Where will the money come from? Problems like these are many.

For this reason, I have asked Mr. Ku Lien-sung of the China Trust Corporation to make an assessment, to examine all those relevant issues including operations, management, loans, and so forth. The Hanhsiang Company has not been officially founded yet. There are still

difficulties in this regard. We will try to get a better understanding of the situation. I boarded one of their helicopters. It wasn't bad at all.

[Correspondent] Mr. President, in your opinion, will your unofficial visits to the three Southeast Asian countries help in the ROC's bid to join the United Nations?

[Li] If the road to the United Nations is 100-km long, we have covered only one meter. So we have to continue working harder and harder. If we do not try harder, no country would help us. If we work hard, even some big countries will help us in the future.

#### USTR Representative Arrives for Talks

OW2302130594 Taipei CNA in English 1236 GMT  
23 Feb 94

[By Sofia Wu]

[Text] Taipei, Feb. 23 (CNA)—A three-member American delegation headed by Dorothy Dwoskin, an assistant U.S. trade representative [USTR], arrived in Taipei Wednesday for tariff reduction talks with Taiwan officials.

Dwoskin made no statement at Chiang Kai-shek International Airport.

Progress in the talks, which will begin Thursday at the head office of the state-run Taiwan Power Company, is expected to help Taiwan's bid to join the General Agreement on Tariffs and Trade (GATT), government sources said.

The talks will focus on Taiwan's tariff rates on 699 industrial and agricultural products, which U.S. negotiators hope to see slashed in half. The U.S. is also seeking caps on tariffs to keep them at or below 10 percent for industrial products and 20 percent for agricultural goods.

The two sides failed to reach an agreement on tariff cuts during talks in Washington last month. Vice Economic Affairs Minister Sheu Ke-sheng said earlier this month that the government will first cut tariffs on 252 industrial items by an average of 17.5 percent and on 154 agricultural products by an average of 12.5 percent.

Sheu will head the Taiwan delegation for this round of talks, which will last through Saturday.

Trade officials said discussions will include bringing tariffs on more than 8,000 items in line with GATT requirements.

Taiwan applied to join GATT in 1990 as a separate customs territory and is expected to be admitted to the Geneva-based world trade regulatory body by the end of this year.

**Prosecutor Indicts Mainland Couple for Hijacking**  
*OW2402075194 Taipei CNA in English 0708 GMT 24 Feb 94***[By Lilian Wu]**

[Text] Taipei, Feb. 24 (CNA)—The Taoyuan District prosecutors' office Wednesday [23 February] indicted a Mainland Chinese couple for hijacking a mainland civil airliner to Taiwan late last year.

In his indictment, the prosecutor recommended a 12-year sentence for Luo Changhua, 38, and eight years for his wife Wang Yuying, 34, for violations of the Civil Aviation Law.

The couple, along with their 11-year-old child Luo Wanghuan, hijacked a Fujian Airlines airliner to Taiwan on its way from Ganzhou to Chengdu on Dec. 28, 1993. The child was placed in the care of Luo's relatives in Taiwan.

The prosecutor said he recommended shorter sentences because they had surrendered themselves upon landing at the Chiang Kai-shek International Airport.

Ten civil air flights from Mainland China were hijacked to Taiwan in 1993.

## Hong Kong

### Governor To Proceed With Electoral Bill

HK2402110894 Hong Kong Asia Television Limited in English 0630 GMT 24 Feb 94

[Statement by Hong Kong Governor Christopher Patten to members of the Legislative Council at the Legislative Council Chamber in Hong Kong—live]

[Text] Mr. President [Legislative Council President John Swaine], I would like to begin my reporting to members on my recent visit to Australia. I paid an official visit to Australia at the invitation of the Australian Government from 13-19 February. I am very grateful to the Australian Government for the invitation and for arranging the visit so well and so generously.

Australia is an important trading partner for Hong Kong. Three hundred Australian companies operate here, employing 70,000 Hong Kong people. Total trade between us rose 12 percent last year. Hong Kong is Australia's seventh largest export market and tenth largest trading partner overall. There are growing human contacts between our communities. Almost 10,000 Hong Kong students are studying in Australia, with a large number of Australians teaching at our own universities. Twenty thousand Australians live and work in Hong Kong, and some 80,000 people from Hong Kong now live and work in Australia. Over 300,000 Australians visited Hong Kong last year and over 120,000 Hong Kong people visited Australia. My visit took in Sydney, Canberra, and Melbourne. I had good meetings with Prime Minister Keating in Sydney and the minister for foreign affairs, Senator Evans, in Canberra. I also had meetings with the governor general, Mr. Hayden, the governors of the states of New South Wales and Victoria, as well as with the premier of New South Wales and the deputy premier of Victoria. I made four public speeches and I visited a number of companies doing considerable business with us here in Hong Kong. I encouraged firms not already active here to consider using Hong Kong as a regional base. Equally, I was able to provide reassurances to those firms that are here that Hong Kong would continue to be an excellent place to do business. Everywhere I went I found enormous warmth and understanding among Australians, in government and outside it, for Hong Kong. And I found as well a great deal of goodwill for Hong Kong's future. Australia is a good friend to Hong Kong. We warmly appreciate and value the ties of friendship and trade that link our communities. I hope those ties will grow in the months and years ahead.

Turning now to developments closer to home, I was very pleased to see that this Council last night passed the legislation dealing with the less controversial elements relating to the arrangements for the elections in 1994 and 1995. This was the second bill relating to the 1994 and 1995 elections, which the Legislative Council has now passed. After we first put forward proposals in October

1992, we made it clear that we were keen to discuss them with the Chinese side. Unfortunately, talks did not begin before we had to legislate on the Boundary and Election Commission. That body is now established and doing very good work.

Talks did begin in April 1993, but regrettably it was not possible to reach agreement before time pressure meant we had to press on with the next stage of legislation, which the Council has just passed. The voting age and voting method for all three tiers of elections are now agreed, so too the abolition of appointed membership of district boards and municipal councils. This means that we now have a proportion of the necessary legislation in place, and we are ready to move on to the next stage. The fact that this legislation, the less controversial part, has taken some two and a half months to pass through this Council, underlines how fine we have been cutting things.

We now have only four months left in which to pass the remaining legislation. We need to have that through by the time this Council rises in July. It is our firm aim to do so. We had hoped that it would be possible for the talks with China to resume. We have since last November, repeatedly asked the Chinese to continue talks on the outstanding issues. There have been innumerable such requests on diplomatic channels, including a message from the British prime minister to the Chinese premier. As you know, China was only willing to do so on condition that the first stage bill was withdrawn. That was not possible. Time is now pressing. If we are to have the legislation through in time to enable us to hold elections in good order and on schedule, we therefore need now to proceed with the third bill without delay. We intend to gazette the remaining legislation, that dealing with the arrangements for the Election Committee and functional constituencies, tomorrow, 25 February, and to introduce it to this Council on 9 March. This decision has been taken following full consultations with the Executive Council and with ministers, who agree with this approach.

The legislation which we will publish tomorrow will contain in legislative form, the proposals which I put forward in October 1992 for the functional constituencies and the election committee. It will propose an election committee composed of members of district boards. It will propose that the nine new functional constituencies envisaged under the Basic Law should be made up of members of the entire work force. And it will propose the abolition of corporate voting in existing functional constituencies. Members will recall that I have promised on many occasions that if it became necessary for us to proceed with the remaining legislation without Chinese agreement, Hong Kong people would be entitled to expect an explanation of why that was necessary and why we believe it to be in the best interests of Hong Kong. The British Government will, therefore, today be publishing a White Paper, setting out the background to the present position, the approach which the British side took in the negotiations with

China, and the modifications which we were prepared to make to the Hong Kong Government's 1992 proposals as part of an overall agreement, including on the through train. It is a thorough, factual account. The White Paper will be published at 5:00 pm this afternoon. Its publication is essential to informed debate in Parliament, in this Legislative Council, and in the community.

Let me say a word about why we have chosen to recommend to this Council, the Government's original 1992 proposals. We believed then, and we still believe, that these proposals are the best ones on the table. They have been debated at length and already endorsed in general terms on three occasions by this Council. These proposals have enjoyed widespread and consistent support amongst most sections of the community. We continue to regard them as the best way to secure our objective of open and fair elections. We were prepared to offer during the negotiations, modifications to our 1992 proposals to secure an overall agreement with China, including on the through train. Although it is has not proved possible to reach such an agreement, we obviously stand by those modified proposals as a way to produce open and fair elections, albeit a less attractive way in our view than our original proposals. Plainly the judgment on these matters now lies with the Legislative Council. That has always been the constitutional position. For our part, we shall argue strongly for the legislation we are now putting forward. The proposals it contains were deliberately framed to be consistent with the Joint Declaration, the Basic Law, and the relevant agreements and understandings between the two sides. We firmly believe that they are, and we are supported in that view by the overwhelming majority of independent legal opinion.

I want to say to this Council and to the community how much I regret that we have not managed to reach agreement with China on these very difficult electoral issues. I fervently wish we could have done so. But I equally fervently believe that it would have been wrong to abandon the principles we have set out for the sake of an agreement which would not have been in the best interests of Hong Kong.

The White Paper sets out clearly the issues which were, and which are, at stake here. I regard it as my overriding responsibility, faithfully to implement the terms of the Joint Declaration on which the concept of one country, two systems is based. The Joint Declaration promises a legislature constituted by elections to which the executive shall be accountable. I take that to mean real elections in which Hong Kong people have a genuine choice. As I have explained many times before, it is upon a credible Legislative Council, openly and fairly elected, that so many of our other freedoms and institutions depend. So we differ with China on this important point about the elections. But it does not follow that we have to argue with China about everything. Let us try to draw a line under this dispute and cooperate together in other areas in the interests of the people of Hong Kong. We now have less than three and a half years left before the

transition, and there is a great deal of work to do. For our part, for Britain's, and for Hong Kong's, we stand willing and able to work together with China in Hong Kong's interests on other matters, even if on this admittedly important one, it has unfortunately not proved possible to do so.

#### District Board Members Ask Patten To Withdraw Bill

*OW2302132894 Beijing XINHUA in English 1236  
GMT 23 Feb 94*

[Text] Hong Kong, February 23 (XINHUA)—Nearly 60 percent of the members of Hong Kong's 19 district boards (DB) issued a joint statement Tuesday [22 February], calling on Governor Chris Patten to withdraw his political bill already tabled to the Legislative Council.

The statement was signed by 256 of the 441 members of the 19 district boards, including the chairmen of 18 district boards.

The signatories said in the statement, "we sincerely ask the governor to take back his political bill already tabled to the Legislative Council so that the Sino-British talks can be resumed."

As a result of the termination of the Sino-British talks, they said, the membership of the three-tier councils can not straddle 1997. "This would harm Hong Kong's stable transition and the smooth transfer of power in 1997, we are deeply concerned about that," they said.

"For the sake of stability and prosperity of Hong Kong in the future," the DB members said, "we hope for an early resumption of Sino-British talks to reach an agreement."

The origin of the statement is to be presented to Governor Chris Patten, while its copies will be submitted to Chinese Vice Premier and Foreign Minister Qian Qichen and his British counterpart Douglas Richard Hurd as well as other Chinese and British officials concerned.

#### Legislative Council Approves Governor's Reform Proposals

*HK2402005894 Hong Kong SOUTH CHINA MORNING POST in English 24 Feb 94 p 1*

[By Louis Ng, So Lai-fun, and Linda Choy]

[Text] The Legislative Council early this morning approved the first part of Governor Chris Patten's proposals for electoral reform, changing only the title of the bill but fending off two attempts to block it. The final vote was taken at 0120, at the end of more than nine hours of debate and a marathon session of voting forced by the council's complicated Standing Orders.

Councillors overwhelmingly approved, with only a few dissenting voices, granting Hong Kong's 18-year-olds the vote, adopt the single-seat, single-vote system for all

elections, put an end to the system of appointing members in district boards and municipal councils, and allow local members of the Chinese National People's Congress to stand for election here.

There was a 100 percent attendance by councillors for what was deemed to be the legislature's toughest session, given China's strident opposition to the Patten proposals and warnings that anything that was decided would be scrapped in 1997 anyway.

Chief Secretary Anson Chan Fang On-sang said she was pleased with the result. Mrs Chan said she hoped China would accept the system which has been decided by a legislature capable of making a judgment for the vast majority of Hong Kong people. "I hope China will appreciate we have the wider interests of Hong Kong at heart and we will do our very best to seek cooperation with China," she said.

The first attempt to block the bill was launched by veteran legislator and Patten adversary, Elsie Tu, but she was defeated 36 to 23 after three hours of debate. Mrs Tu was supported by the 15 Liberal Party members and seven pro-China legislators and independents.

Later in the evening, the Liberal Party tried again to stall the more controversial part of the election law—the single-seat, single-vote system for the 1995 election of the legislature—but was defeated after another three hours of debate. The amendment tabled by party chief Allen Lee Peng-fei was rejected 35-15.

Independent legislator Eric Li Ka-cheung, who sought to restore the appointment seats to the district boards and the municipal councils, was opposed by 41 members. Only eight legislators voted for Mr Li's motion, most of his supporters being independents.

Mrs Tu warned Hong Kong people would be victimised if China and Britain failed to co-operate. She said: "Let me make clear at the outset that I believe in democracy if that means finding ways to improve the livelihood of the people. But I do not believe in a political power struggle that leads the community into a state of fear and anxiety about the future." Disappointed with the fact that there would be no further talks because the reforms had gone through, Mrs Tu said: "If I were asked to be an adviser (to China), I would feel this time I must do it."

But independent legislator Christine Loh Kung-wai said the proposals carried in the bill were very moderate. If such proposals were to be rejected, it meant that Hong Kong would only capitulate to China's wishes, she said.

Standing Orders required 12 rounds of voting on the amendments before a final decision could be reached. The original proposals got through with only the slight adjustment to the title suggested by independent legislator Andrew Wong Wang-fat.

The voting, which will fuel the Chinese anger, came only 10 hours before Mr Patten is to start another dispute by publishing the British version of what went on during the

17 rounds of talks about political reforms. The Governor will explain to Legco at the question time session beginning at 1430 why he had decided to go ahead with publishing a White Paper.

A total of 100,000 copies of the White Paper, 70,000 in Chinese and 30,000 in English, will be released at 1700 and will be available to the public tomorrow morning.

Secretary for Constitutional Affairs Nicholas Ng Wing-fui said at the end of the debate on Mrs Tu's motion that the Government was now left with no alternative but to proceed with the bill. "We have now come to the point where we simply have no other alternative but to get on with the legislative process," he said. "The Chinese side has made it known on numerous occasions that there would be no more talks unless we first withdrew the current bill. Surely, this is a demand which neither the community nor this council will find acceptable."

Mr Ng said the bill was needed for the orderly preparation of elections in 1994/95.

#### PRC Office Reacts to Legco's Adoption of Electoral Bill

OW2402040594 Beijing XINHUA in English 0345  
GMT 24 Feb 94

[Text] Beijing, February 24 (XINHUA)—A spokesman of the Hong Kong and Macao Affairs Office of the State Council (HKMAOSC) of China made a statement to XINHUA here today after the Legislative Council (Legco) of Hong Kong passed this morning the partial electoral bill submitted by Chris Patten, governor of Hong Kong.

Following is the full text of the statement:

After the 17th round of the Sino-British talks on the arrangements for the 1994/95 election in Hong Kong was held, the British side walked away first from the negotiating table and submitted the electoral bill to the Legco despite the earlier statement made by the Chinese side, thus, terminating the talks.

Even so, we made it clear repeatedly that for the Chinese side the door for negotiations was open under the prerequisite that the British side must withdraw the submitted partial bill from the Legco. However, the British side has ignored this and clung obstinately on its own course. It has not only had the partial bill passed at the Legco, but also decided unilaterally to make public the contents of the 17 rounds of the Sino-British talks and to submit the rest of the electoral bill to the Legco, thus closing completely the door for resuming the talks. Therefore, the British side should be held fully responsible for ruining the talks.

The Sino-British Joint Declaration and the Basic Law stipulate that the British administration of Hong Kong will terminate on June 30, 1997 and the Chinese Government will resume the exercise of sovereignty over Hong Kong as of July 1, 1997. In accordance with these

provisions, the Chinese side reiterates that as component parts of the British political body administrating Hong Kong, the last British-Hong Kong district boards, the two municipal polls and the Legislative Council will definitely be terminated together with the end of the British administration of Hong Kong. Before the Chinese and British sides reach an agreement on the arrangements for the 1994/95 elections, the three-level bodies produced on the basis of the partial electoral bill passed by the British-Hong Kong Legco or any other electoral bill possibly to be passed by the Legco cannot stand over the year of 1997. By that time, the political body of the Hong Kong Special Administrative Region will be formed according to the decisions of the Chinese National People's Congress and the relevant provisions of the Basic Law.

#### **PRC Leaders Confident of Hong Kong Prosperity**

*OW2402085694 Beijing XINHUA in English 0834  
GMT 24 Feb 94*

[Text] Beijing, February 24 (XINHUA)—Chinese Vice-President Rong Yiren said that the current difficulties on the Hong Kong issue have been created by the non-cooperative approach of the British side.

Rong made the remarks when meeting here today with Sir Adrian Swire, chairman of the British firm of John Swire and Sons Ltd, and his party.

He said that Hong Kong is a very important region of finance, trade and transportation and China is very interested in the development of Hong Kong.

Touching on the construction of Hong Kong's new airport, Rong noted that there is a memorandum of understanding on the issue between China and Britain whose principles should be followed by the two countries. The British side should adopt a sincere and fair attitude.

He pointed out that the current troubles on the Hong Kong issue have been created by the non-cooperative approach of the British side. The responsibility does not lie with the Chinese side.

The vice-president stressed that China is full of confidence in the long-term prosperity and stability of Hong Kong.

Rong also briefed the guest on the current situation of China's reform and opening up drive, adding that the purpose of the Chinese Government is to give the economy a sustained, fast and healthy development through reforms.

The reform process of the first two months of this year had been smooth, Rong said.

Sir Adrian Swire said that his company has been confident in Hong Kong and Chinese Mainland and it has been enlarging its business in the region, adding that it would continue to do so in the future.

He noted that his current China tour is aimed at learning more about China's reform process and getting acquainted with China's idea on Hong Kong's long-term prosperity and stability.

He also expressed the willingness and confidence of his company to conduct long-term investment in Hong Kong and China.

Chinese Vice-Premier Li Lanqing also met with Sir Adrian Swire and his party today.

#### **Ding Guangen, Li Lanqing Meet Magazine Chairman**

*OW2402092994 Beijing XINHUA in English 0916  
GMT 24 Feb 94*

[Text] Beijing, February 24 (XINHUA)—Lo Tak Shing, chairman of the Board of Directors of "WINDOW", a Hong Kong weekly, and his wife visited Beijing from February 22 to 24 as guests of the Information Office and Hong Kong and Macao Affairs Office of the State Council and the Hong Kong branch of XINHUA NEWS AGENCY.

Ding Guangen, member of the Political Bureau of the Central Committee of the Chinese Communist Party, and Vice-Premier Li Lanqing met the couple on separate occasions.

#### **Government To Release British Account of Failed Talks**

*HK2402041394 Hong Kong HONGKONG STANDARD  
in English 24 Feb 94 p 4*

[By M.Y. Sung in Beijing]

[Text] Britain yesterday accused China of leaking the contents of the Sino-British talks on electoral arrangements. The British said the Chinese leak had led to the decision to reveal the contents of the 17 rounds of talks. British Ambassador to China, Sir Robin McLaren said Britain was aware that much of the talks' contents had been leaked by the Chinese side.

Governor Chris Patten is to release a White Paper today, setting out the British side's account of the failed negotiations. "This is, of course, against the background of a great deal of leaking of the contents of talks from the other side," Sir Robin said. "It was necessary to make the contents of the talks available before the second stage of Mr Patten's reform bill was tabled," he said.

He refused to confirm whether a copy of the White Paper had been sent to China, but he said he was in regular touch with the Chinese side. He did not agree that the disclosure would lead to a total termination of Sino-British cooperation. "For our part, we are very concerned cooperation should be maintained to the maximum extent possible. Concerning the new airport, all details and technical matters being discussed in the JLG (Joint Liaison Group) need cooperation."

Meanwhile, members of a Chinese think-tank expected that China would reveal its own version of the contents of the talks. Member of the Preliminary Working Committee (PWC) Tsang Yok-sing said the Chinese side would have no obligation to keep the promise of confidentiality if the British side unilaterally revealed the contents of the talks. He believed the Chinese side would also soon reveal their view of the talks as it now made no sense to withhold the facts.

Former senior Executive Councillor, Sir Sze-yuen Chung opposed unilateral disclosure. He said there should be joint disclosure, as it was likely the two sides would give two different versions. "I do not agree that Britain and China should each separately reveal their own version," Sir Sze-yuen said. A new battle between the two sides could arise if there were two different versions. The people of Hong Kong would be puzzled about which version was true, he said.

Former Basic Law drafter Simon Li said a unilateral disclosure could be misleading. It could polarise the views of the Hong Kong public. "Some people will take the British side's version if they have more confidence in the British, while other people will take the Chinese side," Mr Li said. "But this is the way politics is."

#### PRC Official Comments on 'Sticking Point' in Talks

HK2402044994 Hong Kong EASTERN EXPRESS in English 24 Feb 94 p 1

[Report by Chip Tsao in Hong Kong and Rain Ren in Beijing]

[Text] A senior Chinese official in Hong Kong has told EASTERN EXPRESS the real sticking point in the protracted Sino-British talks was the issue of appointed seats on the district boards after 1997. The official spoke as the Governor, Chris Patten, was preparing to disclose the contents of the secret Sino-British talks on political reform in Hong Kong later today.

In Beijing, an official said the Chinese Government would be publishing its own account of how the talks failed after assessing the Hong Kong government's White Paper. The Beijing official said: "We would like to see what Mr Patten wants to say about the breakdown of the talks before we release our side of the story."

It is understood the Chinese account will focus on its concessions during the negotiations.

The Chinese official in Hong Kong said that technically there was "no 17th [final] round of talks" because Peter Lai, the deputy secretary of constitutional affairs, rejected China's compromise proposal during a preliminary discussion with the Chinese team leader, Jiang Enzhu. The Chinese compromise proposal was to give Hong Kong fully elected district boards before 1997. After the transfer of sovereignty the new government

would add 100 appointed district board members to the 338 directly elected members.

He said that, as the talks drew to a close, there was tentative agreement on three of the five key issues. They were: The lowering of the voting age to 18; the affirmation that district boards were to be given no executive powers; and the right of members of the National People's Congress to take part in Legislative Council elections.

The issues where there was no sign of an agreement were: The abolition of appointed seats on the district boards; and whether the single vote, single seat method should be applied to all three echelons of election.

A Hong Kong government official said the British side could not accept China's compromise proposals because the number of seats for the district boards was a matter to be decided by the future Special Administrative Region (SAR) government. He believed the Chinese compromise proposal amounted to "an undermining of the SAR's autonomy".

On his arrival in Beijing for the Preliminary Working Committee meeting, a PWC member, Tsang Yok-shing, said he hoped the Chinese side would release its document on the talks as soon as possible.

#### Zhou Nan Denies Rumor of Transfer to Beijing

HK2402063394 Hong Kong TA KUNG PAO in Chinese 18 Feb 94 p 2

[Report: "Zhou Nan Denies Rumor That He Will Be Transferred to Beijing"]

[Text] Zhou Nan, director of the XINHUA Hong Kong Branch, yesterday clarified the rumor that he was to be transferred to Beijing. According to Zhou Nan, a rumor of this kind appears about once a year and may reappear in the future. He said the principle for coping with it was very simple—"just ignore it."

In addition, Deputy Director Zhang Junsheng said that the news was untrue and inaccurate.

#### XINHUA Local Director Criticizes Britain

HK1802150994 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1315 GMT 18 Feb 94

[By reporter Wen Jie (5113 1240): "Zhou Nan Calls For Common Efforts To Ensure China's Resumption of Sovereignty Over Hong Kong in 1997 and the Implementation of the 'One Country, Two Systems' Policy"]

[Text] Hong Kong, 18 Feb (ZHONGGUO TONGXUN SHE)—This afternoon, the Hong Kong Branch of the XINHUA NEWS AGENCY hosted a Spring Festival cocktail party in the Maxim Palace Restaurant in Causeway Bay's World Trade Center. Several Hong Kong celebrities were invited and the atmosphere was warm.

In his speech, Director Zhou Nan said: Over the past year, under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics and the instructions of the 14th CPC National Congress, China has made world-renowned achievements in its reform, opening up, and modernization. Its GNP has grown by 13 percent, ranking it first in the world. In the past year, China has witnessed sensible policies, harmonious human relations, political tranquility, and stability in popular sentiment; the country's comprehensive strength has increased, and its international position has improved. In the New Year, we will continue to seize the opportunity, deepen reform, widen opening up, promote development, maintain stability, make an important step forward in establishing the socialist market economic structure, implement a number of major reform measures, and bring about sustained, rapid, and healthy [as received] national economic development. We will usher in the 45th founding anniversary of the PRC with more brilliant achievements in our modernization drive.

Over the past year, Hong Kong's economy has further merged with the motherland's economy. The mainland's vigorous development has enabled Hong Kong to overcome all kinds of negative factors and to maintain a comparatively high economic growth rate, which stands at appropriately 5.5 percent. This fully suggests that the motherland's stability and development serve as the most solid foundation for Hong Kong's prosperity and stability. We are completely convinced that, in the New Year, exchanges and cooperation in the economic, trade, and other fields between Hong Kong and the mainland will further develop and move a step higher.

Over the past year, we have sincerely hoped that China and Britain would reach agreement on Hong Kong's 1994-1995 electoral arrangements on the basis of "three conformities," and we have done our utmost toward this end. The British side, however, has obstinately persisted in the erroneous stance of the "three violations" and brazenly submitted parts of its constitutional reform package to the Legislative Council at a time when no agreement had been reached between the two sides. As a result, the Sino-British talks have ruptured, and the good wishes of the Chinese side and the Hong Kong compatriots have completely fallen through. Now people can understand more explicitly that the British side is completely responsible for the breakdown of the talks. However, Hong Kong's destiny is, after all, controlled by the great Chinese people, including the Hong Kong compatriots. In no way can the British side's uncooperative attitude stop the wheel of history from moving forward. In the future, alongside the Hong Kong compatriots, we will actively make all kinds of preparations for the establishment of the Hong Kong Special Administrative Region firmly in accordance with the "one country, two systems" policy and the provisions of the Basic Law. We enjoy the backing of the powerful motherland and the effective support of the Chinese people. We possess all

the necessary conditions to overcome all sorts of obstacles to our progress, to bring about a steady transition in 1997, and to ensure Hong Kong's long-term stability and prosperity.

There is only a little more than three years until the historic moment of Hong Kong's return to the motherland. Let us unite as one, work with one heart and one mind, remove all obstacles, ensure China's resumption of sovereignty over Hong Kong in 1997 and the comprehensive implementation of the "one country, two systems" policy, and work hard for the fulfillment of this great and glorious mission entrusted to us by history. The future of our great motherland and Hong Kong is infinitely bright.

#### XINHUA Local Deputy Director Views Patten's Trip

*HK2302004294 Hong Kong TA KUNG PAO in Chinese  
18 Feb 94 p 2*

[Unattributed report: "Zhang Junsheng Comments on Chris Patten's Trip to Australia, Saying That It Is of No Use for Him To Play the 'International Card'"]

[Text] Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch, said on 17 February that the Hong Kong issue is a matter between China and Britain and that no other country has the right to comment on the Hong Kong issue and still less the right to intervene in Hong Kong's affairs.

Asked whether the Hong Kong governor's trip to Australia was intended to play the "international card," Zhang Junsheng, who was attending a Spring Festival party hosted by the General Chinese Chamber of Commerce yesterday, said: It is not just now that the Hong Kong governor is beginning to do this. He did it as early as 1992. But it is of no use to play the international card. As for the fact that some officials of other countries chime in and agree with the governor's words, Zhang Junsheng stressed: They do not have much of an understanding of Hong Kong's affairs. Moreover, Hong Kong's affairs should only be studied and discussed between the Chinese and British Governments. A third country has no right whatsoever to intervene in Hong Kong's affairs nor any right to say this or that about the Hong Kong issue.

Regarding the Hong Kong governor's affirmation that his "political reform proposal" does not violate the "three principles," Zhang Junsheng said: If the Hong Kong governor were honest, he should have a very good understanding whether or not his so-called political reform proposal violates the Joint Declaration, the Basic Law, and the understandings and agreements reached between China and Britain because it has been more than one and a half years now since October 1992. Moreover, with so many views expressed by all sectors of

Hong Kong and the many views advanced by the Chinese side which have been published in many newspapers and which have even been compiled into booklets, how then can he take them as if he did not see them.

He added: Even now, he still insists that his proposal does not violate the Joint Declaration, the Basic Law, and the understandings and agreements reached between China and Britain. In fact, it is very difficult to understand why, as a governor of Hong Kong, he can say this irrespective of any facts.

Regarding the second reading of the first portion of the political reform proposal in the Legislative Council [Legco] next Wednesday, Zhang Junsheng reiterated: The Chinese side had favored that China and Britain could make good arrangements for some affairs during the transition period with good cooperation, particularly some questions including the electoral system. But the fact that the British side does not cooperate has led to the breakdown of the Sino-British talks over the arrangements for the 1994-1995 elections. Therefore, given no cooperation and no agreement between China and Britain, it is very clear that the three-tier councils will all cease to be and will be reorganized on 30 June 1997.

He pointed out: Under these circumstances, whatever things or bills the Legco may pass and whatever a Legco is to be established, which will only last for 20 months, are the own affairs of the British Hong Kong Government, while the Chinese side will attend to things properly, together with Hong Kong residents, for Hong Kong's transition in keeping with the Basic Law and the Joint Declaration and will set up a government and a legislature for the special administrative region.

As for the fact that the British side stated the need to publicize the contents of the talks, Zhang Junsheng said: The Chinese side will not be opposed to this at all as long as the British side does this through the diplomatic channel. However, I hope the British side should not "curtail the context" as it did when it publicized the seven letters exchanged between the Chinese and British foreign ministers.

#### Zhang Junsheng Views Response to UK Releasing Details

HK2302141894 Hong Kong WEN WEI PO in Chinese  
23 Feb 94 p A12

[Report: "Zhang Junsheng Stresses That If British Side Publishes Contents of Talks, Chinese Side Will Make Corresponding Response"]

[Text] If the British side unilaterally releases details of the Sino-British talks, the Chinese side will definitely respond accordingly, Zhang Junsheng, deputy director of the XINHUA News Agency Hong Kong Branch, said today. Releasing the records of the Sino-British talks will do no credit to Chris Patten, he noted.

Present at the 1994 International Calligraphy Exhibition yesterday, Zhang Junsheng said: We never objected to any arrangement to release the records of the 17 rounds of talks between China and Britain on the arrangements for the 1994-95 elections in Hong Kong. But, at the beginning of the talks, the Chinese and British sides agreed to keep the contents of the talks secret, and if the contents are to be released, this should only be done after prior consent is reached between the two sides through diplomatic channels. The British side first said that the contents of the talks would be released by the British Hong Kong Government. But now they say that they will be jointly released by the British Government and the British Hong Kong Government. This move that the British Hong Kong Government is going to make indicates that they has gone farther and farther on the road against cooperation.

Zhang Junsheng added that it was a natural outcome for the British side to take this step. Chris Patten provoked disputes as soon as the talks started. During the talks, the British side played many little tricks to interfere in and undermine the talks. Finally, the British side unilaterally terminated the talks, and tabled the so-called constitutional reform package in the Legislative Council [Legco]. Thus the talks terminated and broke down.

Zhang Junsheng said: We never hoped to see disputes break out. During the talks, we upheld the principle of the "three conformities" and we hoped to reach an agreement with the British side. However, the British side unilaterally terminated the talks and quit the negotiating table. In spite of this, we still wish to see the British side return to the negotiating table, of course, on condition that the part of the constitutional reform package that has already been tabled to Legco is withdrawn before talks are resumed according to the principle of the "three conformities." It is a pity that the British side has now gone farther and farther.

#### UK, PRC Military Land Talks Remain Deadlocked

HK2402041494 Hong Kong HONGKONG STANDARD  
in English 24 Feb 94 p 6

[Report by Jim Cheung]

[Text] Britain and China remained deadlocked over the size of the new Stonecutters Island naval base after the second day of talks yesterday. Experts from the Sino-British Joint Liaison Group (JLG), will resume negotiations tomorrow in a bid to break the eight-year impasse over the disposal of military land in the territory before 1997.

Emerging from the second of four scheduled days of talks, Chinese team leader Luo Jiahuan said the Chinese side remained dissatisfied over the size of the military base for the People's Liberation Army on Stonecutters Island after the changeover. "We insist on a naval base as big as the present HMS Tamar headquarters," Mr Luo said.

But he rejected claims that a sizeable naval base in the future Special Administrative Region (SAR) was needed because it would be used as a strategic defence base for southern China after 1997.

The Chinese side also raised new proposals on the future disposal of military land during the four hours of talks yesterday. "But the British side failed to give a response on the spot," Mr Luo said.

British team leader Alan Paul said he would carefully consider the proposals raised by the Chinese. Mr Paul maintained the two sides would try to reach agreement in the remaining two days of discussion. He also revealed that the two sides had already discussed the construction costs of the future naval base and the disposal of married quarters for the British garrison in Central. The Chinese have stipulated that the married quarters should be kept for PLA officers.

#### Mainland To Reduce Large-Scale Investment Fairs

*HK2302124194 Hong Kong LIEN HO PAO in Chinese  
17 Feb 94 p 21*

[Special dispatch: "Beijing Orders Reduction in Outside-the-Border Activities To Invite Investment"]

[Text] Beijing, 16 February (LIEN HO PAO)—This year, the number of large-scale investment promotion exhibitions held outside of China by various localities will be significantly reduced.

The relevant department in the State Council has issued an order that all the plans of provinces, autonomous regions, and municipalities for holding investment attraction activities in Hong Kong and other places abroad must be submitted to the relevant authorities in the State Council for examination and approval. Such examination will be even stricter with applications filed by counties, cities (at the county level), and individual enterprises. Besides reporting to the government immediately above them for examination, they must also seek approval from the relevant authorities in the State

Council. This injunction emphasizes that all kinds of investment attraction activities must put practical results first.

In the meantime, the relevant authorities in the State Council also stated that all forms of investment attraction activities and all kinds of festivals that let "economic and trade activities steal the show on the stage of cultural events" conducted by various localities must be brought under overall planning.

This measure is taken because the excessive amount of investment attraction activities in the past have caused many negative consequences.

One is that there are too many "sham foreign investors." Many investments supposedly made by foreign investors and foreign-funded enterprises are actually the funds of mainland organizations that have returned after being taken outside the border to get a different signature. The purpose is to avoid profit delivery and to enjoy the preferential policies applicable to foreign investments in such areas as taxation and goods import and export. The other result is that the percentage of foreign investments that were actually fed into the projects when required is extremely low. The flooding investment attraction activities have led to an unhealthy tendency of boasting, exaggeration, and lying. As a result, letters of intent and agreements involving huge investments that cannot be materialized are all over the place. The third consequence is the appalling waste of money in organizing such activities.

At some investment attraction events outside the country (or border), the size of the delegations is getting bigger and bigger and they are going in for escalating ostentation and extravagance. Some of them enjoy sightseeing abroad at public expense under the pretext of inviting investments and even go so far as to resort to fraud and deception.

In view of this, in order to put an end to the corrupt tendencies in economic activities, the State Council, in good time, issued to all localities in the country a "red-letterhead document" containing stern measures, putting a firm check on investment attraction activities held in Hong Kong and other places abroad. Whoever disobeys the order will be prosecuted.

**END OF**

**FICHE**

**DATE FILMED**

1 MAR 94

